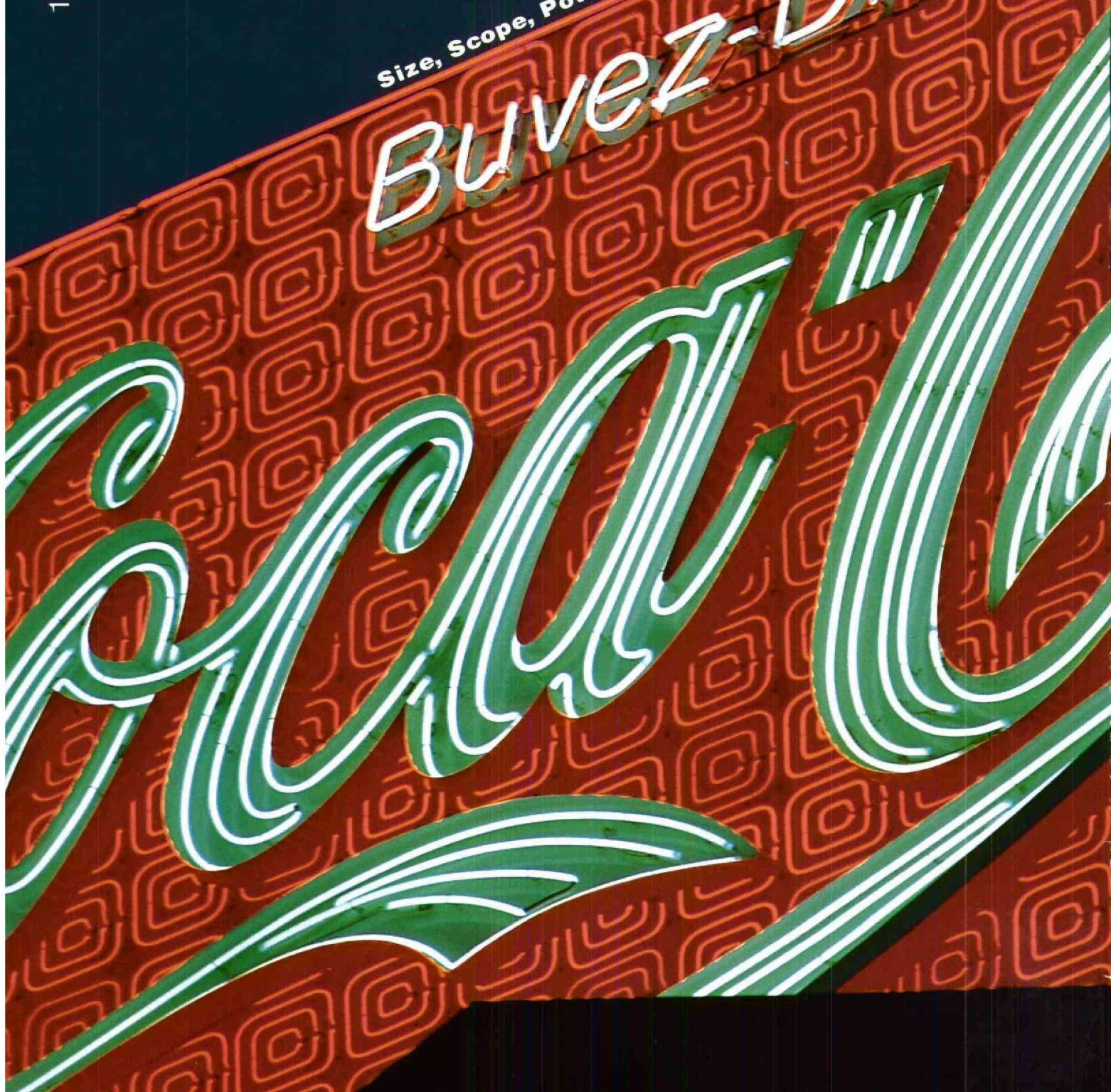


The Coca-Cola Company

1991 Annual Report

Size, Scope, Power: The Global Coca-Cola System Delivers

BUVEZ-Drink



The Coca-Cola Company

The Coca-Cola Company is the world's foremost marketer of soft drinks. Through the world's largest production and distribution system, the Company sells more than twice as many soft drinks as its nearest competitor. Every day in 1991, consumers in more than 185 countries enjoyed an average of more than 668 million servings of Coca-Cola, diet Coke/Coca-Cola light, Sprite, Fanta and our other soft drinks. With a market value of more than \$53 billion at year-end 1991, the Company was the sixth-largest public company in the United States.

Financial Highlights

The Coca-Cola Company and Subsidiaries

Year Ended December 31,	1991 ²	1990 ³	Percent Change
(In millions except per share data and ratios)			
Net operating revenues	\$11,571.6	\$10,236.4	13.0%
Operating income	\$ 2,319.0	\$ 1,951.6	18.8%
Income before income taxes	\$ 2,383.3	\$ 2,014.4	18.3%
Net income	\$ 1,618.0	\$ 1,381.9	17.1%
Preferred stock dividends	\$.5	\$ 18.2	—
Net income available to common share owners	\$ 1,617.5	\$ 1,363.7	18.6%
Net income per common share	\$ 2.43	\$ 2.04	19.1%
Cash dividends per common share	\$.96	\$.80	20.0%
Average common shares outstanding	666.5	668.6	(.3)%
Common share-owners' equity at year-end	\$ 4,425.8	\$ 3,774.2	17.3%
Return on common equity ¹	39.5%	39.2%	—
Closing market price per common share	\$ 80.25	\$ 46.50	72.6%

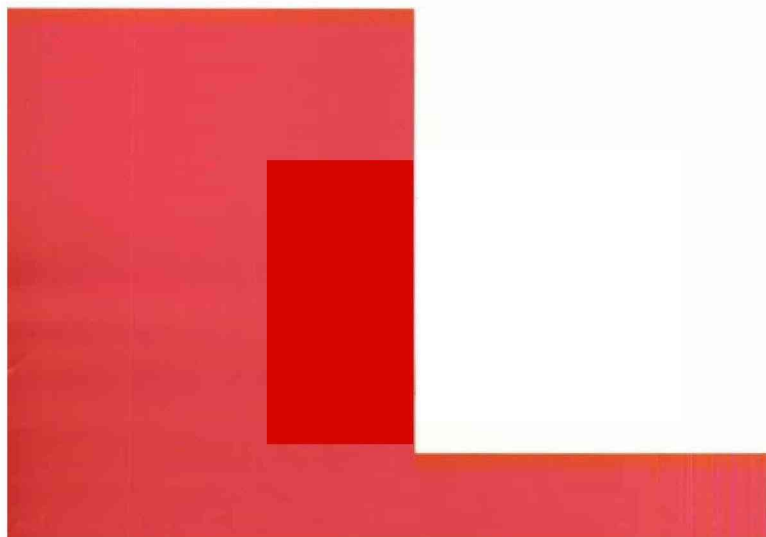
¹Return on common equity is calculated by dividing net income available to common share owners by average common share-owners' equity.

²1991 includes a \$69 million pretax gain (\$.07 per common share after income taxes) on the sale of property in Japan, a \$27 million pretax gain (\$.03 per common share after income taxes) on the sale of a bottling investment to Coca-Cola Enterprises Inc. (CCE), a nonrecurring pretax charge of \$21 million (\$.02 per common share after income taxes) for potential future costs, including interest, related to bottler litigation and a reduction to equity income of \$44 million (\$.07 per common share after income taxes) related to restructuring charges recorded by CCE.

³1990 includes a \$52 million pretax gain (\$.05 per common share after income taxes) on the Company's investment in BCI Securities L.P. and nonrecurring pretax charges of \$49 million (\$.05 per common share after income taxes) related to the Company's United States soft drink business.

Cover

In Brussels, Belgium, one of the worldwide Coca-Cola system's many neon spectaculars invites consumers, in English and French, to enjoy the world's favorite soft drink.





Contents

2	Message to Share Owners
6	Globalization: The Coca-Cola Perspective
9	The Size, Scope and Power of the System
34	The Year in Review
45	Financial Report
74	Directors and Officers
76	Share-Owner Information



For our Company, the year 1991 could be characterized by the words **challenging** and **rewarding**. It was **challenging** because of the harsh economic conditions which prevailed in several of our most important markets, e.g., Australia, Canada, the United States and the United Kingdom. Balancing those economic negatives, however, were the strong free market economies emerging in Latin America with their resulting positive impact on our business; the new markets evolving in eastern Europe; and the continued strong showing of our soft drink business in the Pacific Rim countries. In addition, we achieved share gains relative to the competition in most countries where soft drink industry growth was affected by the local economies.

1991 was especially **rewarding** because our Company, together with the global Coca-Cola system, demonstrated an extraordinary capability to adapt to local market conditions so as to derive the greatest benefits for our soft drink business. This pragmatic adaptability is largely responsible for our Company's ability to continue to produce consistent and reliable profitable growth.

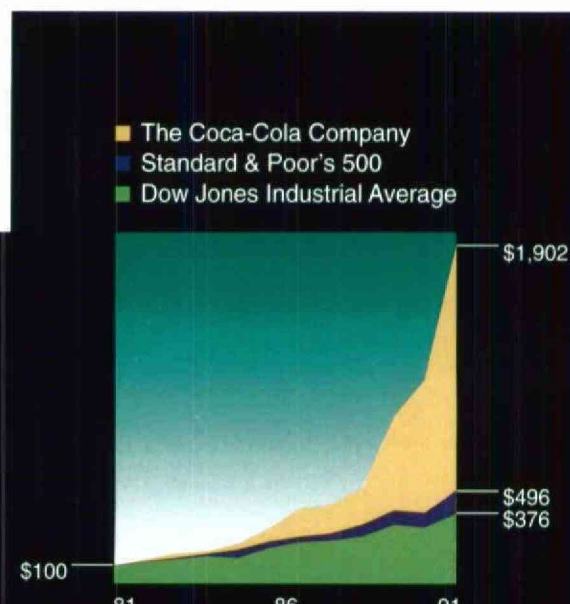
Last year our share price gained nearly 73 percent, almost three times the increase of the S&P 500. Adding the annual dividend of 96 cents per share to the stock price appreciation gave the owners of this Company a total return of 75 percent on their investment. The annualized total return over the past five and 10 years, assuming reinvestment of dividends, has been 37 percent and 34 percent, respectively.

In 1991 the market value of The Coca-Cola Company **increased** by more than \$22 billion, an amount \$6 billion greater than our Company's **total** market value at January 1, 1989. **In other words, last year, in terms of market capitalization, we created the equivalent of another company larger than The Coca-Cola Company was less than three years ago.**

At year-end 1991, our Company was the sixth-largest public company in the U.S. in terms of market value, worth over \$53 billion. This market value is more than three times what it was three years ago, and more than 12 times what it was 10 years ago, back on January 1, 1982, when it stood at \$4.3 billion. Stated differently, **\$49 billion of additional wealth**

Total Return

Appreciation plus reinvested dividends on \$100 investment on 12/31/81. From 1982 to 1991, the Company's common stock outperformed the S&P 500 by approximately 4-to-1 and the Dow Jones Industrial Average

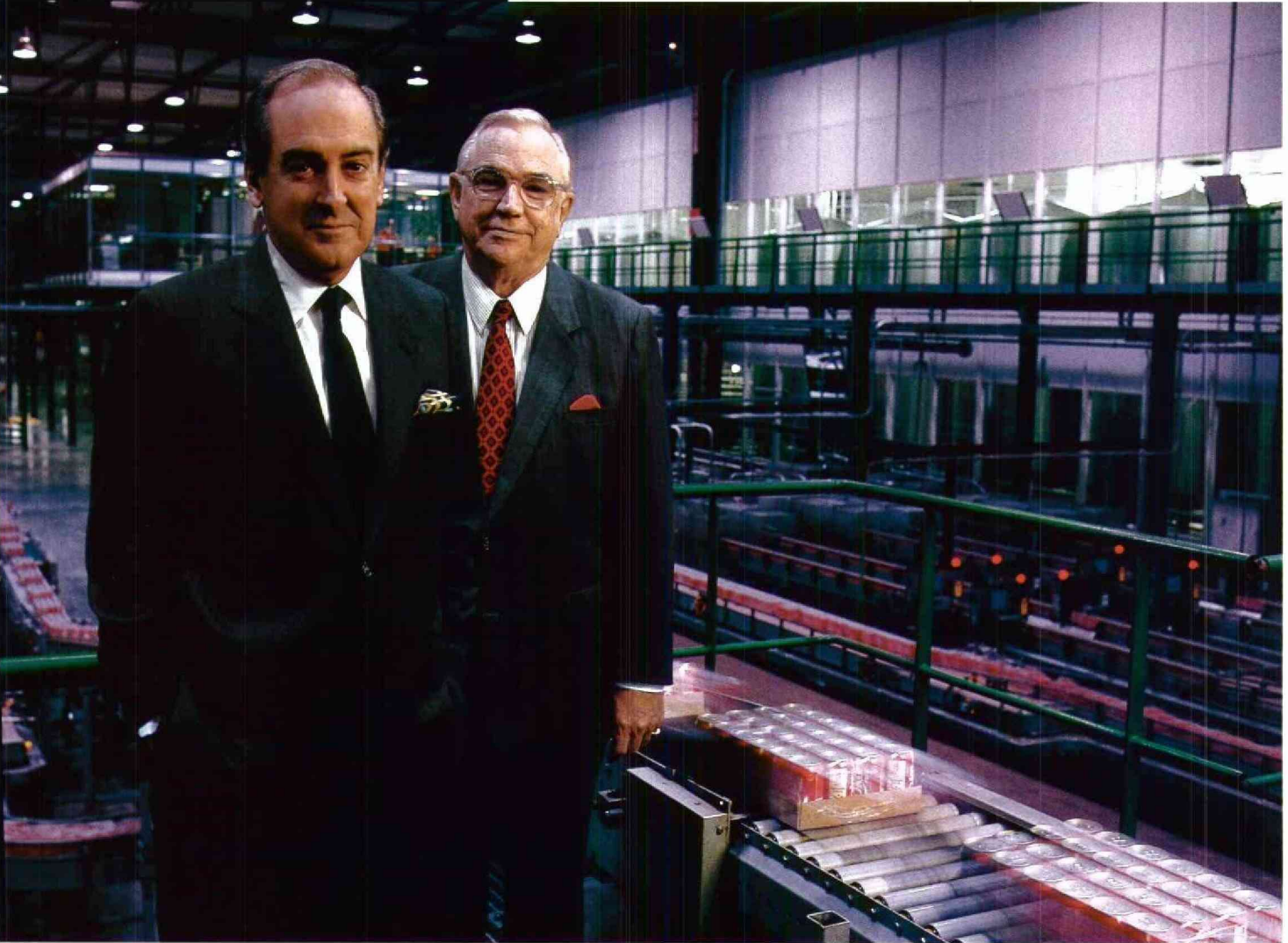


**Total Market
Capitalization**
(In billions)



1/1/89

12/31/91



Roberto C. Goizueta, *Chairman, Board of Directors, and Chief Executive Officer* (left), and Donald R. Keough, *President and Chief Operating Officer*, at the Dunkirk, France, megaplant.

has been created for the owners of our Company over the last 10 years, \$37 billion over the last three years alone.

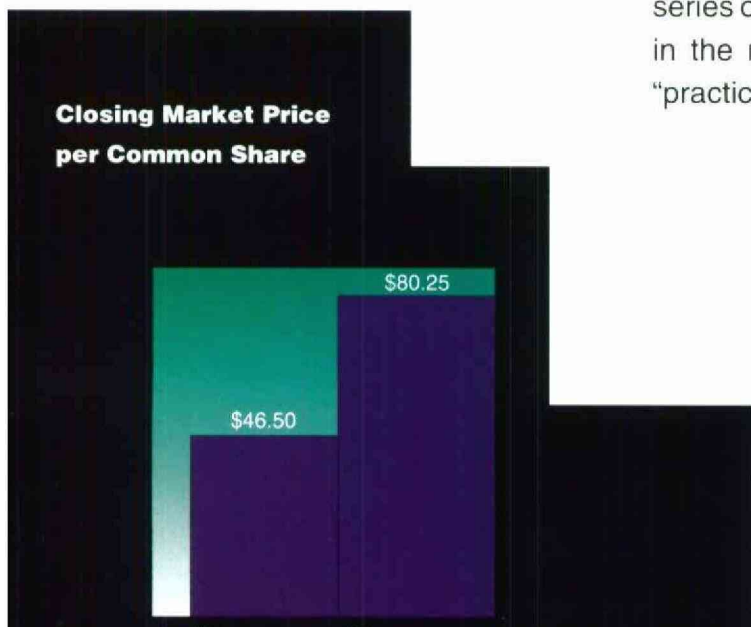
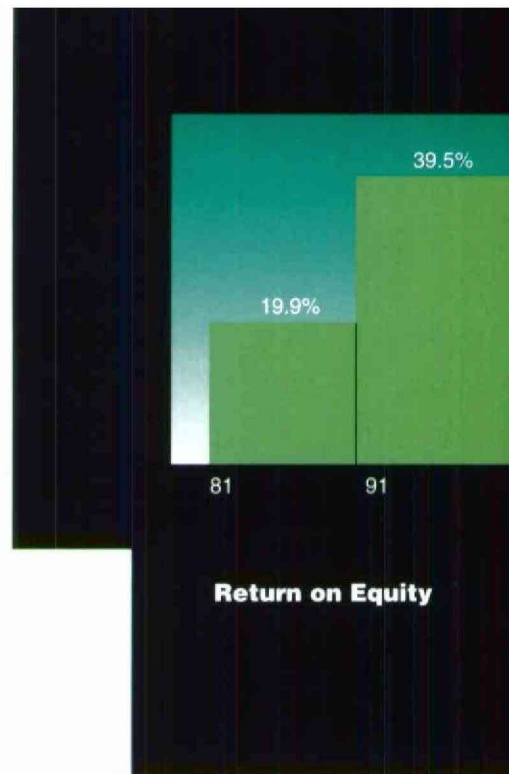
Our net earnings available to common share owners of \$1.62 billion for the year and earnings per share of \$2.43 increased 18.6 percent and 19.1 percent respectively over 1990. Our return on share-owners' equity reached 39.5 percent, and we ended the year with a net-debt-to-net-capital ratio of 21 percent. For 1992 our Directors voted to raise our quarterly dividend 17 percent to 28 cents per share, equivalent to an annual dividend of \$1.12 per share.

In 1991 the global Coca-Cola system sold 9.9 billion unit cases of our soft drinks, an increase of 474 million unit cases, or 5 percent, over 1990. To put this growth into perspective, if our incremental 1991 volume were considered as a single country, it would rank as our fifth-largest international market, between Germany and Spain.

Coca-Cola Foods continued to maintain its leadership in the U.S. orange juice business in 1991 and to be totally focused on juice and juice-drink products. We won't allow any distractions to take our attention away from our efforts to enhance our leadership position in the citrus business in this country. We view this as a growth business, and we have the plans in place to fully benefit from it and consistently grow profits.

As an organization, we are not wasting our energy forecasting what the future of the soft drink industry will be like in the many countries around the world in which we operate. And neither are we spending our time forecasting what the future holds for this Company. We will use our resources to construct today the foundation on which **our future... the future we are creating for ourselves...** will be built.

We don't view the future as preordained, but as an infinite series of openings, of possibilities. What is required to succeed in the middle of this uncertainty is what the Greeks called "practical intelligence." Above all else, this "practical intelligence" forces adaptability and teaches constant preparedness. It acknowledges that nothing succeeds quite as planned, and that the model is not the reality. But it also teaches that choice and preparation can influence the future. This Annual Report details many of the choices we are making today which will profoundly influence the exciting future we are shaping for our global system.

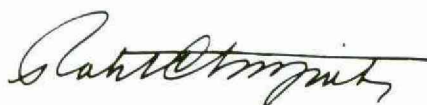


We do not want to leave our share owners with the false impression that this wonderful soft drink business of The Coca-Cola Company is totally impervious to any and all setbacks. However, we are running this business today at a high efficiency, and we have the attitude and the financial resources, as well as the management team, needed to take care of any negative eventuality which may come our way. So... when it does, if we don't completely neutralize it, at the very least, we will minimize its impact.

On the other hand, and as with everything in life, there will also surely be unexpected positive events in the future of this Company. When they happen, we will quickly put them to work to our advantage. In the past we have demonstrated that our system has such capabilities, and we will continue to take advantage of every opportunity in the future.

We do not foresee 1992 as being any less challenging than 1991 or any less rewarding. We are confident that we have the building blocks in place to continue into 1992 and beyond the profitable growth pattern we have established over the last few years.

We are proud of our associates throughout the world who form a loyal, dedicated and talented global team. We are appreciative of the support, advice and counsel we receive from our most distinguished group of Directors, who continuously challenge us to ever higher levels of achievement. We are fortunate to have as key members of the Coca-Cola system, bottling partners who share our same vision for profitable growth. We thank our suppliers for joining us in committing to product quality and customer service. We express our gratitude to our customers and consumers, without whom The Coca-Cola Company and the enterprise we call the Coca-Cola system would cease to exist. Finally, we take this opportunity to once again thank you, the owners of this business, for the confidence you continue to demonstrate by having chosen our Company as the object of your investment.

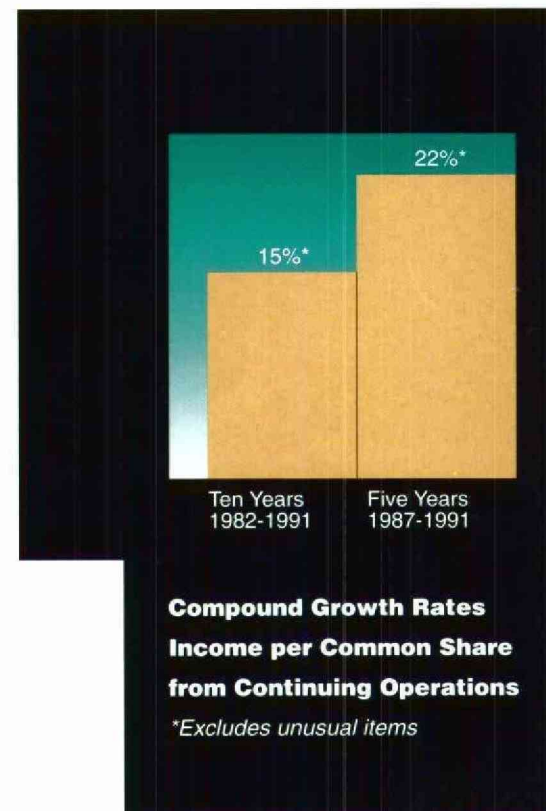


Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer



Donald R. Keough
President and
Chief Operating Officer

February 20, 1992



The Coca-Cola Perspective

Roberto C. Goizueta

*Chairman, Board of Directors,
and Chief Executive Officer*



Netherlands

The global marketplace is something people have been writing about for years, and while it may not be completely here yet, it is a fact that most U.S.-based companies of any size today think and act in international terms. At The Coca-Cola Company, we view ourselves today as an international corporation headquartered in the United States, as opposed to a U.S. company with a sizable international business. This report is largely devoted to the Coca-Cola system, arguably the only truly global business system in existence today.

The trend toward globalization by U.S.-based companies will continue. Not only do 95 percent of the world's 5 billion people live outside the United States, but the global climate today is generally favorable for companies disposed to expansion.



First, disposable income is rising around the world and, with it, people's ability to purchase more consumer products.

Second, outside the U.S. and Europe, the world is getting younger, and young people are the most enthusiastic purchasers of many consumer products.

Third, the world's markets are becoming easier to reach. The events of last year in eastern Europe and the former Soviet Union are just the most recent examples.

Finally, in many important ways, the world's markets are also becoming more alike. Every corner of the free world is increasingly subjected to intense and similar communications: commer-



cial, cultural, social and hard news. Thus, people around the world are today connected to each other by brand name consumer products as much as by anything else. Tokyo, London, New York and Los Angeles resemble each other today far more than they did 25 years ago, in large part because their residents' tastes in consumer products have converged.

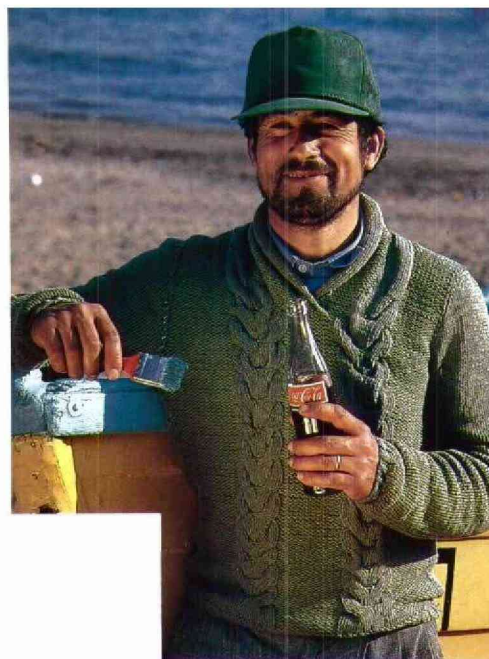
Successful **global marketing**, however, cannot be dictated from a central point, much less practiced through the exercise of a myriad of unrelated decisions at many points around the world.

Successful global marketing by any company requires that certain conditions be in place, most of which require a long time to be developed. While the experiences of The Coca-Cola Company may not be universally applicable, we view certain key points as the cornerstones of successful global marketing.

First, a company wanting to go global must have, build or buy a powerful trademark. Of course, the best example is Coca-Cola. Long the world's most ubiquitous trademark, it is today more valuable than ever and without peer in its appeal and relevance to consumers, as confirmed time and again by independent surveys.

Second, the company must have a global business system through which to reach consumers. In our case, the system comprises not only the Company itself, but a worldwide network of employees, bottling partners, vendors and customers. This system is made up of dedicated people working long and hard to sell products they believe in.

Third, such a business system must do much more than just deliver products. In order to appeal to cultures as diverse as those in Switzerland and Swaziland, it must also tailor products and messages to local markets. At The Coca-Cola Company, we



Chile



Austria



alter our central advertising themes slightly, for instance, to make them more relevant in each of the more than 185 countries where we do business, appealing to regional tastes to create universal leadership.

Lastly, our formula for international success also contains a less obvious, less tangible ingredient. That ingredient is a central theme, idea or symbol that binds together the business system, the brands and the consumers. In the case of our Company, that image began to take shape in 1886 when a man named Frank Robinson first wrote the words “Coca-Cola” in beautiful, flowing Spencerian script. Over the 106 years since then, that image has grown to represent more than a simple moment of refreshment.

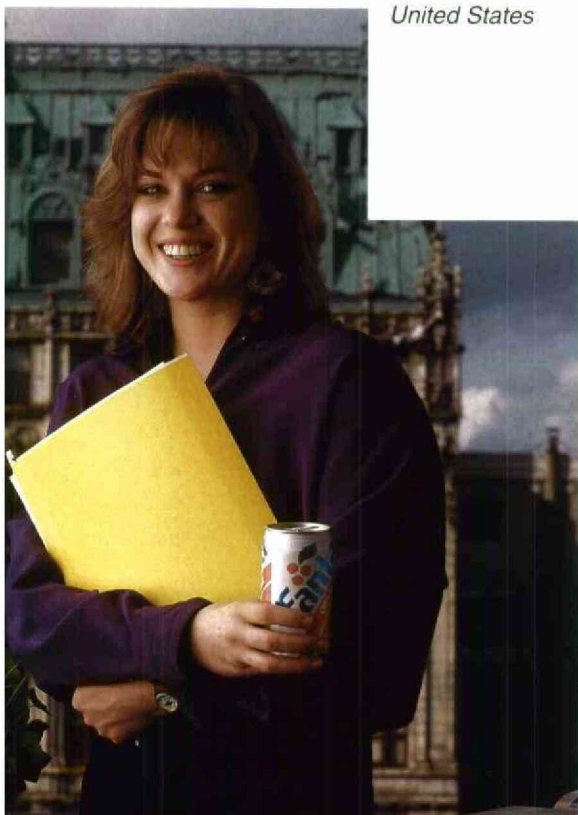
Through our advertising and marketing we have encouraged consumers to associate Coca-Cola with their best feelings and memories...friends and family...joy and laughter...sports and music. Through our insistence on product integrity, we have made sure that wherever and whenever they drink a Coke, the product will live up to their expectations.



France

Through our **worldwide business system** we have made sure that Coca-Cola is there, so that wherever consumers travel they can always find a point of reference, a friendly reminder of home, regardless of where home may be. And through our efforts to serve our customers and consumers with a passion, they in turn have come to feel passionate about Coca-Cola.

Over time, this image — this idea of Coca-Cola — has attracted people who have worked hard to enhance and perpetuate its relevance. And throughout the system, business relationships have been strengthened and made personal by a shared commitment to this central Coca-Cola theme. It is this deep, heartfelt bond shared by Coca-Cola consumers and the members of the Coca-Cola system around the world that The Coca-Cola Company and its management cherish and value above all else. We cherish it because it is, more than anything else, the true measure of success in the global marketplace.



United States

The Size, Scope and Power of the System

There are far more references in this report to the Coca-Cola system than to The Coca-Cola Company, and for a very good reason: the system is the primary engine of share-owner value. Graphically, this system can best be represented as an inverted triangle or pyramid comprising many levels, of which the Company is only the base. The following pages examine the size, scope and power of this incomparable global system, which builds from 650,000 employees through more than 8 million customers to satisfy the thirst of the world's more than 5 billion consumers. And most important, the system is growing and expanding every day. As impressive as the numbers in these pages are, by the time you read them, they will have been surpassed.



650,000

and counting

employees

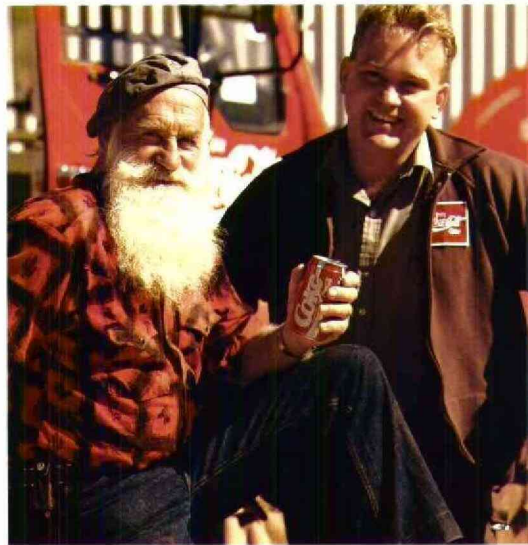


Serving Australia's "Red Centre," Peter Fogerty (right)

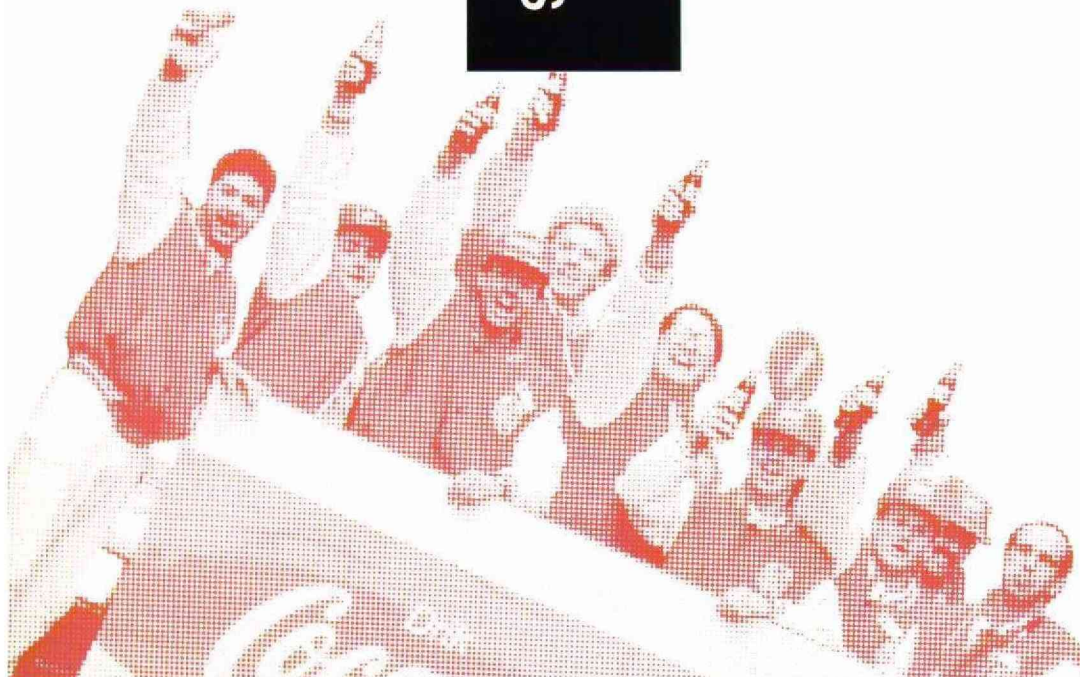
sometimes travels hundreds of kilometers from Alice

▼ Springs to reach customers like camel expedition

leader Noel Fullerton. In recent years, the consolidation of virtually the entire Australian system under a single bottler, Coca-Cola Amatil, has brought greatly increased efficiency to the market.



\$7 billion
in wages
and growing





◀ **People**

In Bangkok and around the world, system employees like Khun Montri Thirakul help the Company think globally but act locally.

People

650,000 employees
\$7 billion in wages



People

The global Coca-Cola system works because more than 650,000 employees around the world share a common culture. Whether in Germany, Malaysia, Peru or any other of the Company's 185-plus markets, these people think, work and react with virtually identical instincts, rooted in a shared commitment to the quality of the Company's products and the value of the Company's trademarks.





Workers at the new bottling plant in eastern Berlin oversee production as part of what one industry analyst has called "the soft drink equivalent of the Marshall Plan." Thirteen production and distribution centers have been opened in eastern Germany to serve 17 million new consumers. ▼



As new markets emerged throughout eastern Europe, the Company announced plans to form a joint venture to serve Ukrainian consumers. Based in Kiev, Rosinka – Coca-Cola Bottling will be led by Andrey M. Poznansky. Rosinka – Coca-Cola Bottling will help fill the dramatic need for consumer goods as Ukraine creates a market economy.



Production and

Distribution

The global Coca-Cola system is capable of producing more than 22 billion cases of soft drinks annually, more than 528 billion individual soft drink servings. The Company's products are delivered to the marketplace by more than 115,000 Company- or bottler-owned vehicles.



**Production ►
and Distribution**

In Lubbock, Texas,
Jack Watley's truck
exemplifies regional
marketing programs
designed to
strengthen the
"multi-local" aspects
of the Coca-Cola
system.

**Production
and Distribution**

22 billion case capacity
115,000 vehicles

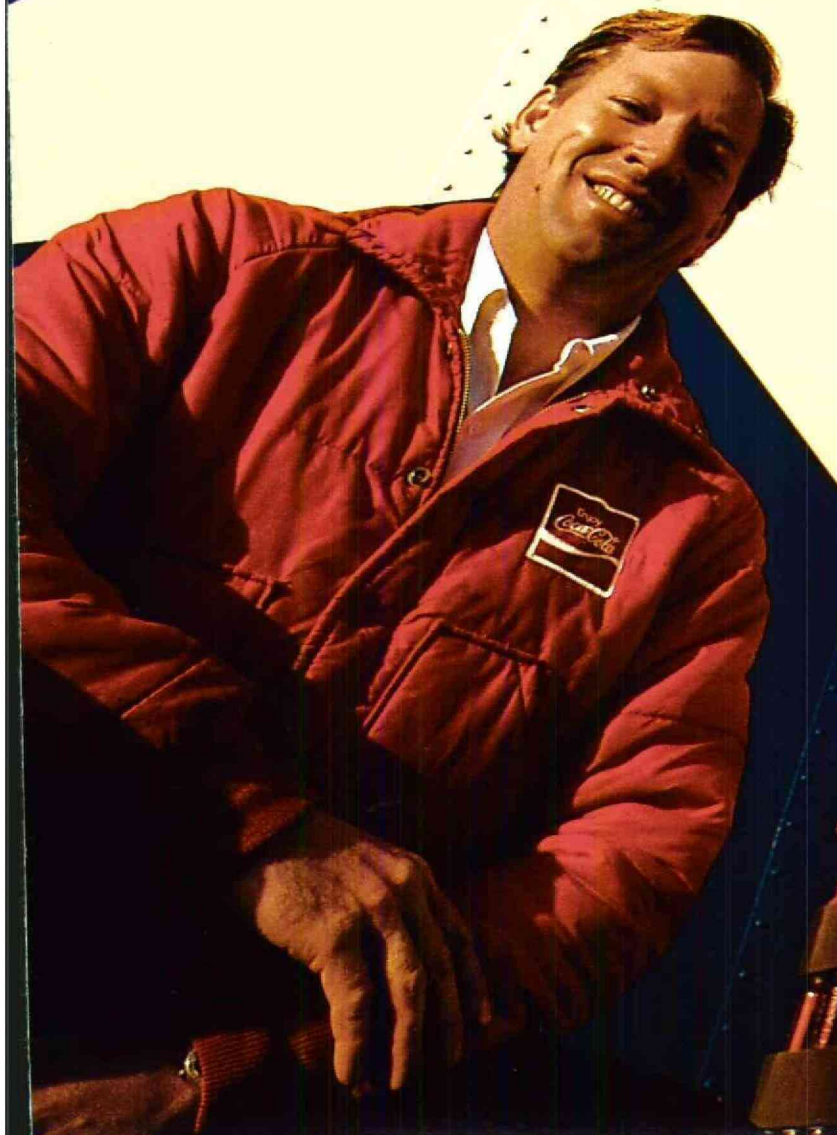
People

650,000 employees
\$7 billion in wages



Distribution

Production and



production
capacity

22

billion

cases annually

with more to come



Production and Distribution

▼ In addition to those vehicles owned by the Coca-Cola system, a vast fleet of independently owned vehicles helps get Coca-Cola to the marketplace. Each week, for instance, *Deliverance* delivers Coca-Cola to Australia's Bedarra Island near the Great Barrier Reef.



Truly "multi-local" in nature, the Coca-Cola system readily adapts to local environments. In Hong Kong, for instance, scarcity of real estate led to the construction of the world's two tallest bottling plants, one a remarkable 59 stories high. Both use large elevators to raise and lower delivery trucks.





In Amsterdam and throughout an increasingly unified European Community, production and distribution systems have been modified to meet the needs of both local and pan-European customers. New canning and

concentrate megaplants, centralized information systems and consolidated bottling operations have created new efficiencies.



115,000 Vehicles

and counting ■



Customers



million **8** customers and counting



◀ **Customers**

Barbecue and
Coca-Cola are the
specialties at
Maurice's Piggy
Park in Columbia,
South Carolina.

Customers

8 million customers
\$66 billion in retail sales

Production and Distribution

22 billion case capacity
115,000 vehicles

People

650,000 employees
\$7 billion in wages



Customers

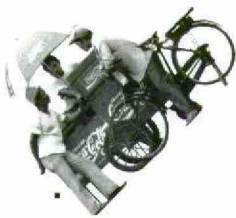
If all the Coca-Cola system's customers lined up along the equator, a thirsty consumer could purchase a Coca-Cola every 16 feet. From huge, multi-national grocery chains to individual street vendors, these 8 million customers are our link with the world's consumers. Last year, our products helped our customers generate more than \$66 billion in retail sales.





Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.

\$66 billion
in retail sales and growing



All over the world, customers like Carlos Fernández Veloso in Montevideo, Uruguay, have helped make Coca-Cola and good food a natural pairing. ►

Customers

◀ In virtually every country in which it is available, Coca-Cola plays a major role in the local retail economy. In Nigeria, more than 100,000 customers sell Coca-Cola, and many owners of small shops rely on it for a large percentage of their profit.

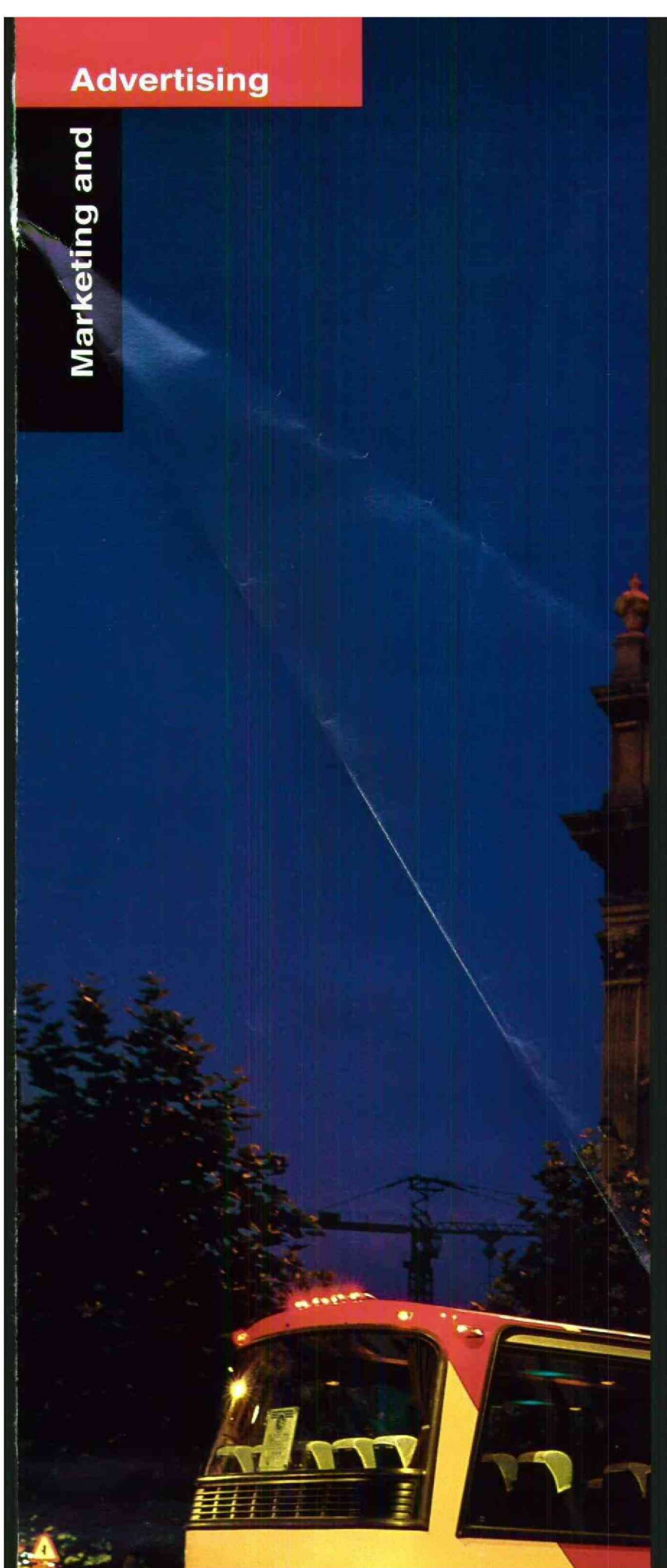


U.S. customers like Jerry's Supermarket in Sanibel Island, Florida, benefit from the increased efficiencies of large, consolidated bottling companies like Coca-Cola Enterprises. ▲



Advertising

Marketing and



Marketing and

Advertising

Millions of pieces
of Coca-Cola adver-
tising help make the
familiar red and white
script the world's number
one trademark. From Kiev
to Kansas City, "Coca-Cola" is
understood by more people
worldwide than any other term
except "Okay."



**Marketing
and Advertising**

20 million advertising pieces
\$4 billion annual
marketing investment

Customers

8 million customers
\$66 billion in retail sales

**Production
and Distribution**

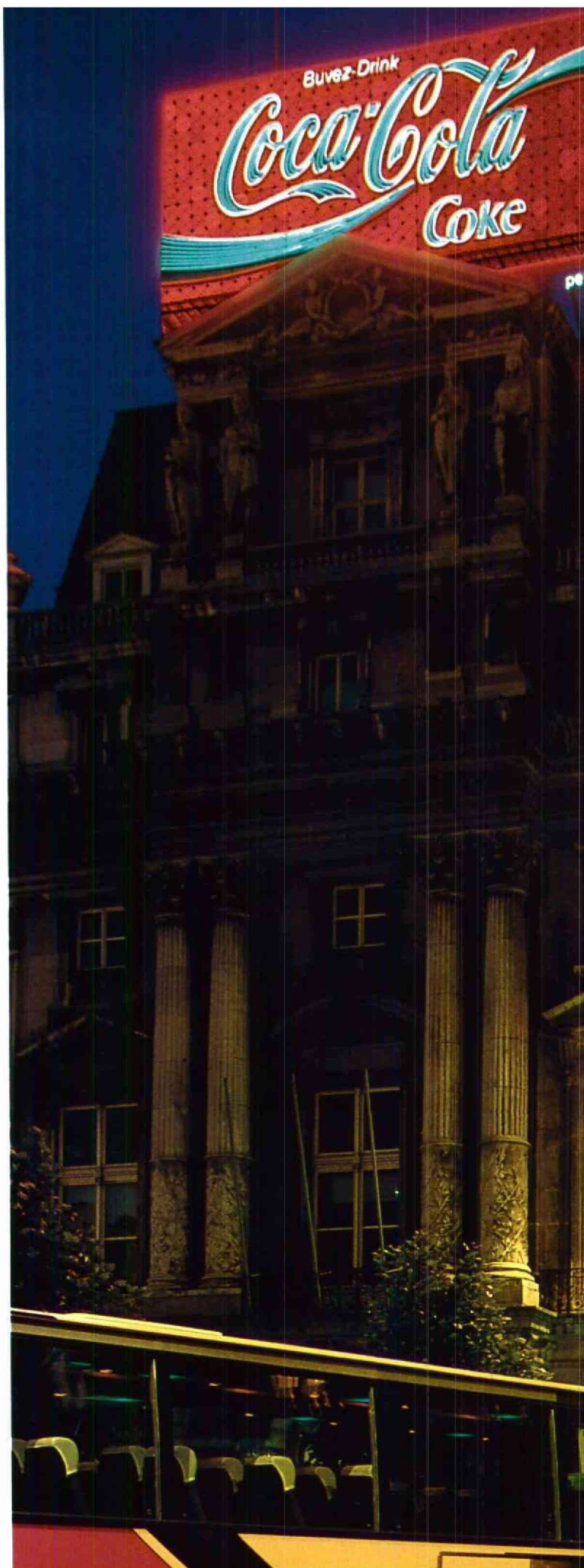
22 billion case capacity
115,000 vehicles

People

650,000 employees
\$7 billion in wages

**Marketing
and Advertising**

The Brussels,
Belgium, neon
spectacular
symbolizes the
system's power
and pervasiveness.



A nighttime photograph of a city street, likely in Amsterdam, featuring historic European architecture on the left and a tram in the foreground. In the background, a building is topped with a large, illuminated neon sign of a windmill, with the word 'UTRECHT' visible below it. The sky is dark blue, and streetlights create starburst effects.

20million

pieces of
advertising

and counting

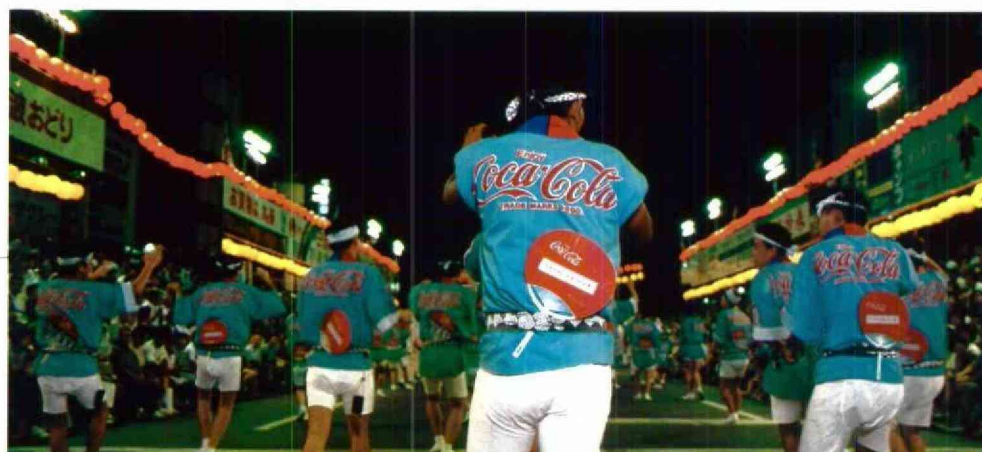
Marketing and Advertising

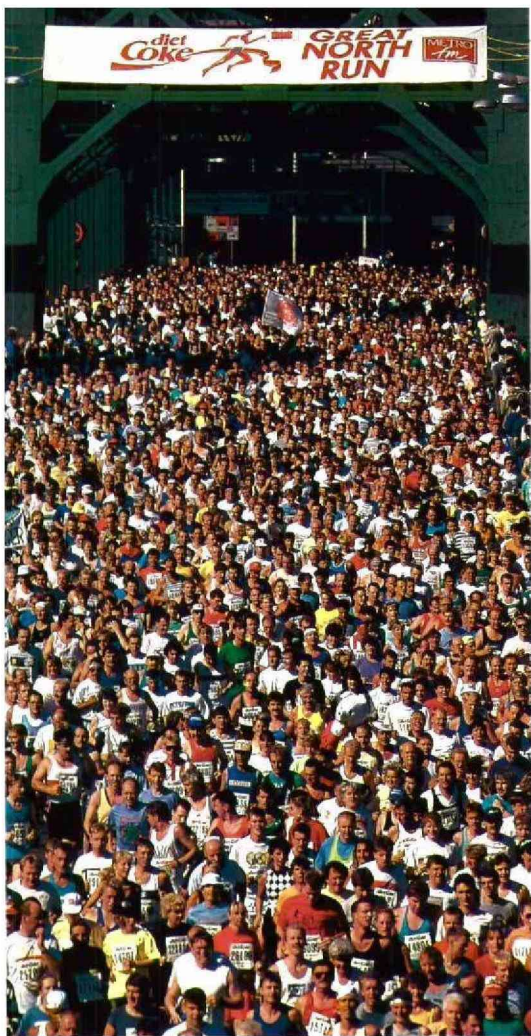


Neon spectaculars bring the Coca-Cola trademark to the world's busiest street corners in a big way. A landmark for 70 years, the spectacular at New York's Times Square became even bigger and better in 1991. The new 65-by-41-foot, 55-ton structure features nearly 60 miles of fiber optic tubing, a mile of neon tubing and 13,000 light bulbs.



For Coca-Cola, good marketing transcends traditional advertising. The system is committed to making Coca-Cola an integral part of every community. Coca-Cola (Japan) Company and its bottling partners, for example, sponsor a wide variety of local events and programs, including the annual Awa Odori dance festival.





Decades of major promotions and sponsorships have closely linked Coca-Cola and sports. The diet Coke Great North Run in Newcastle, England, was only one of thousands of sporting events sponsored last year by the Coca-Cola system. Televised throughout Europe, the event is Britain's largest road race, drawing 30,000 runners and more than 100,000 spectators.



\$4 billion

Annual Marketing
Investment
and Growing

6 million
pieces of
equipment
and counting





Sales

Equipment

6 million pieces
2 million vending
machines dispensing
33 million servings daily

Marketing

and Advertising

20 million advertising pieces
\$4 billion annual
marketing investment

Customers

8 million customers
\$66 billion in retail sales

Production

and Distribution

22 billion case capacity
115,000 vehicles

◀ Sales

Equipment

More than half of our
unit case sales in
Japan come through
the system's more
than 770,000 vending
machines. Last year,
more than 136,000
new Coca-Cola
venders were manu-
factured in Japan.

People

650,000 employees
\$7 billion in wages





Sales

Equipment

The system's unequalled ability to put a cold Coca-Cola "within an arm's reach of desire" drives sales. More than 6 million pieces of sales equipment help make Coca-Cola the most ubiquitous trademarked product on earth. This equipment ranges from high-tech vending and post-mix machinery to simple ice chests and pushcarts.



Sales Equipment





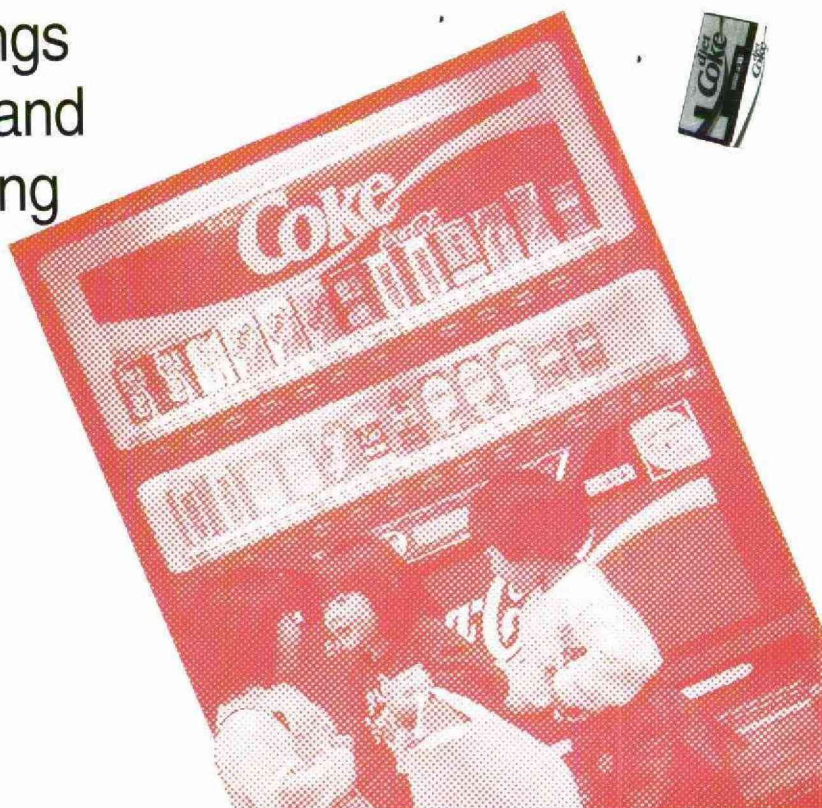
▲ Post-mix represents a tremendous opportunity in international markets. In Norway, for example, post-mix sales climbed steadily in 1991 but still account for only 5 percent of the system's total unit case sales.

2 million

vending
machines

33 million

servings
daily and
growing





Negotiating the narrow streets of Venice, local bottling employees install one of the system's more than 2 million vending machines. Venders provide consumers with convenient, round-the-clock opportunities for purchasing a cold Coca-Cola. ▼



In many developing markets, making Coca-Cola available cold is a top priority. Local entrepreneurs do their part in Douala, Cameroon, traversing the city's streets with 160 locally produced pushcarts. ►



Consumers

5 billion

thirsty people
and counting



**Consumers**

5 billion

Sales**Equipment**

6 million pieces
2 million vending
machines dispensing
33 million servings daily

Marketing**and Advertising**

20 million advertising pieces
\$4 billion annual
marketing investment

Customers

8 million customers
\$66 billion in retail sales

Production**and Distribution**

22 billion case capacity
115,000 vehicles

Consumers

Herero women in
traditional clothing
refresh themselves
under a warm
Namibian sky.

People

650,000 employees
\$7 billion in wages

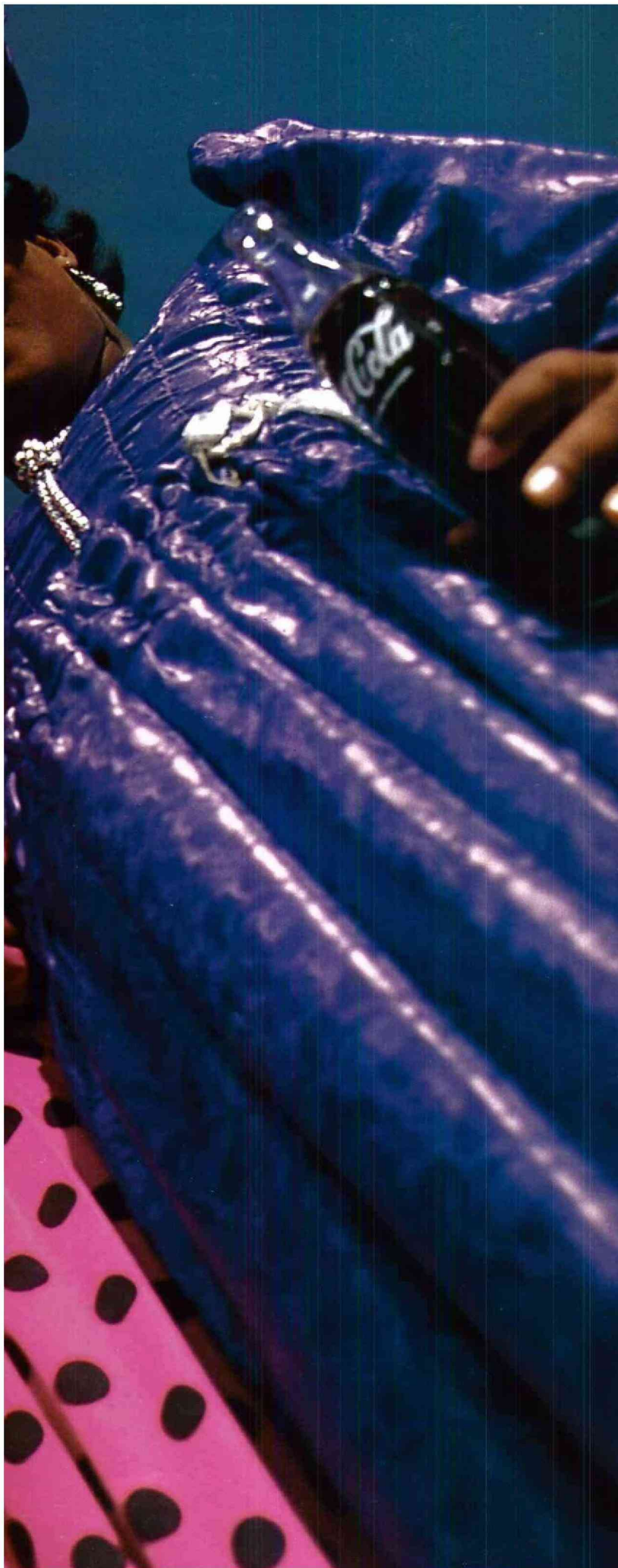


Consumers



In more than 185 countries, the system works to make Coca-Cola and our other quality products available to more than 5 billion consumers. With approximately 95 percent of these consumers living outside the United States, the system has only begun to develop the international growth potential of our brands.





Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.

Consumers

▼ As the world has gotten smaller, a "global teenager" has emerged. In Germany and around the world, these teenagers share similar tastes in music, clothing and consumer brands. With its global

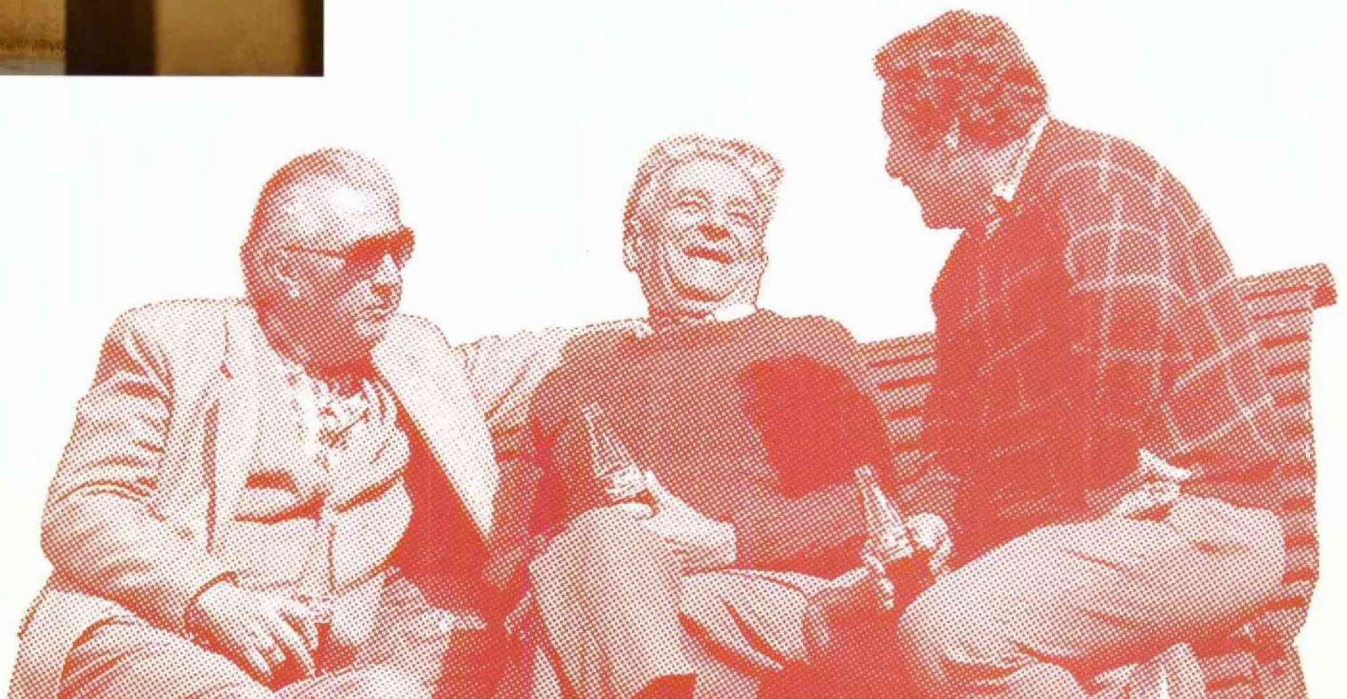
scope and the power of the world's most ubiquitous trademark, the Coca-Cola system is uniquely equipped to market to this group.



The rapid restructuring of eastern Europe and the former Soviet republics makes it far easier to reach millions of new potential Coca-Cola consumers, including 52 million Ukrainians.



Arguably the most successful new product introduced in the United States in the 1980s, diet Coke has also averaged 29 percent annual growth in international markets since its debut. In fact, in both Europe and Japan, diet Coke/Coca-Cola light is now the number two cola-flavored soft drink, trailing only Coca-Cola, as well as the number three carbonated soft drink overall, behind Coca-Cola and Fanta. In Japan, Coke light unit case sales exceed the combined total sales of our nearest competitor's sugar and diet colas.



Selected Country Results

Estimated Unit Case Sales¹
Carbonated Soft Drinks

	Average Annual Growth				1991 Results			
	10 Years		5 Years		Unit Case Growth		Company	
	Company	Industry	Company	Industry	Company	Industry	Share	Per Capita Consumption
Worldwide	6%	5%	6%	5%	5%	3%	43%	54
United States	5	4	4	3	2.5	1.7	41	296
International	7	5	8	6	6	3	44	39
European Community	9	5	11	7	8	1	45	116
France	13	5	16	9	11	1	41	52
Germany	6	5	9	10	19	6	46	178
Great Britain	13	6	14	4	(11)	(10)	32	87
Italy	10	6	8	5	4	4	55	91
Spain	7	5	11	7	6	3	51	155
Pacific²	9	7	10	9	4	3	40	18
Australia	7	5	8	6	2	3	56	223
Japan ²	7	7	9	9	7	6	34	122
Korea	8	10	7	11	(1)	1	49	63
Philippines	12	3	8	5	(1)	(7)	76	89
Thailand	10	9	17	18	3	4	57	43
Northeast Europe/Africa	7	6	8	6	5	4	27	18
Austria	6	6	10	10	12	8	46	141
Nigeria	4	4	8	6	10	3	68	21
Norway	12	7	11	4	8	3	59	218
Switzerland	10	5	8	6	9	11	44	155
Turkey	19	12	17	13	6	14	39	21
Latin America	6	4	6	4	8	6	53	131
Argentina	3	3	(2)	(3)	31	37	62	133
Brazil	8	6	6	4	4	3	60	101
Chile	9	7	16	18	9	6	61	158
Colombia	6	3	3	1	0.4	(2)	43	105
Mexico	5	4	8	7	6	3	53	273

¹Unit case equals 24 8-ounce drinks. Data include, for the first time, results from the former Soviet Union and China. Excluding those markets, the Company's share of international soft drink sales was 49 percent. ²Includes Japanese non-carbonated soft drinks

Over the past five years, the Company's international unit case sales have increased at an average annual rate of 8 percent. No countries better exemplify the Company's long-term opportunity to maintain or exceed that sort of growth than the three profiled on this page. Nearly 45 percent of the more than 5 billion people on earth live in China, India or Indonesia, but the per capita soft drink consumption rates for the countries are only 8, 3 and 6, respectively. While explosive short-term growth is unlikely, the potential for tremendous, sustained growth over time is extraordinary, and the Company is taking aggressive actions now to prepare the ground. Set forth below are some of the ways in which we are seeding for the future.



INDIA

With 860 million people, India is, by far, the largest market in which Company products are not currently produced. That should change in 1993, thanks to the Indian government's approval of a joint venture formed in late 1991.

The Company will not, however, be starting from scratch. During the 1970s, the Coca-Cola system in India comprised 21 bottlers selling more than 32 million unit cases annually and accounting for 60 percent of the country's carbonated soft drink sales. The Company left India in 1977, but the Coca-Cola trademark continues to enjoy strong, positive recognition and recall among consumers.

The immediate task is to re-establish bottling and distribution networks in and around large metropolitan areas. Once up and running, we will be addressing several marketing opportunities, including packaging, where we see tremendous potential for large, multiserve containers.

Last year, the entire Indian carbonated soft drink industry sold only 113 million unit cases, less than the Company sold in Korea, a country with only 5 percent as many people. To say that the opportunity is enormous is an understatement. No market in the world shows greater promise for rapid, sustained growth for years to come.



CHINA

The Company resumed operations in China in 1981 after an absence of 41 years. Since our re-entry, we have invested \$75 million in 13 bottling plants and a concentrate plant in Shanghai, which makes it possible for bottlers to purchase concentrate with local currency, a distinct advantage.

Company products have long been acceptable in China—in 1933 the country became the first market outside the United States to post annual sales of more than a million unit cases—and we are continuing to invest as necessary to make them available and affordable to every one of China's 1.2 billion people.



INDONESIA

If there is such a thing as an ideal soft drink market, it probably looks like Indonesia. Fifty-five percent of its 180 million people are under age 25; the average year-round temperature is a humid 80°F; gross national product is growing 6 to 7 percent a year; and the government welcomes foreign investment.

Last year, the Coca-Cola system sold 34 million unit cases of Company products, accounting for 71 percent of all carbonated soft drinks sold in the country. Because we see the potential for a vastly larger market, we have, over the past few years, rationalized our bottling system and entered, directly and indirectly, into three joint ventures that last year posted 87 percent of our system's unit case sales. Since we began making these investments in 1987, unit case sales have grown at a compound annual rate of 15 percent, and the business is well positioned for continued rapid growth in the years to come.

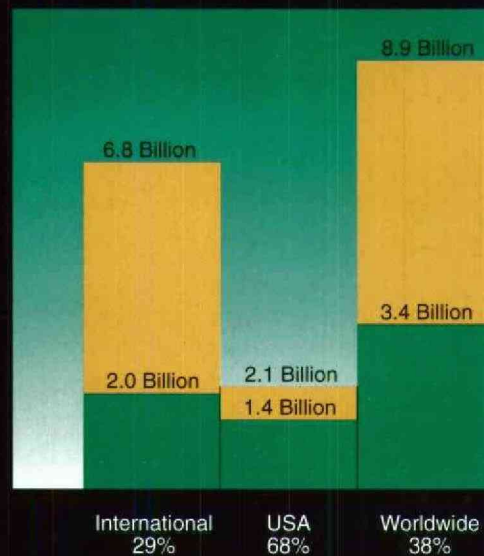
Bottling Investments



Since 1981, the Company has invested approximately \$2 billion in more than 40 bottling and canning operations around the world. They range from joint ventures, to minority interests in public companies, to bottling operations in which the Company owns a majority interest ("CBO"). By working closely with our bottlers to help increase retail sales, we are also boosting our concentrate sales. These investments, shown on the map at left, also allow us to share in the earnings of our system and the increasing value of individual bottling companies. As the graph below illustrates, we have an ownership interest in bottlers accounting for 38 percent of the 8.9 billion unit cases sold by our worldwide bottling system last year.

Worldwide Unit Case Sales*

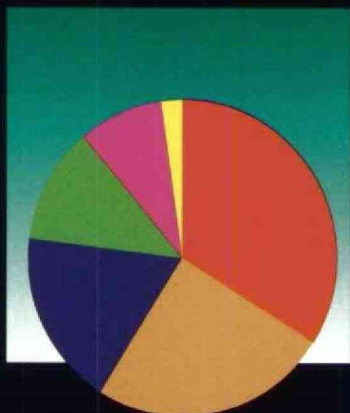
■ Total Unit Case Sales
■ Unit Cases in which the Company has an Interest



*Excludes Coca-Cola USA Fountain

Worldwide 1991 Unit Case Sales

- United States 33%
- Latin America 26%
- European Community 18%
- Pacific 12%
- Northeast Europe/Africa 9%
- Canada 2%



The World's Favorite Soft Drinks*

An International Sampling

	Market Leader	Leadership Margin	Second Place
Australia	Coca-Cola	3.3-1	diet Coke
Austria	Coca-Cola	2.6-1	Fanta
Belgium	Coca-Cola	6.9-1	local brand
Brazil	Coca-Cola	3.9-1	local brand
Denmark	Coca-Cola	1.4-1	local brand
France	Coca-Cola	2.7-1	local brand
Germany	Coca-Cola	3.5-1	Fanta
Great Britain	Coca-Cola	1.7-1	diet Coke
Greece	Coca-Cola	2.6-1	Fanta
Italy	Coca-Cola	2.0-1	Fanta
Japan**	Coca-Cola	1.5-1	Fanta
Korea	Coca-Cola	1.6-1	local brand
Norway	Coca-Cola	2.0-1	Coke light
Spain	Coca-Cola	1.5-1	local brand
Sweden	Coca-Cola	2.8-1	Fanta

* Share of flavored, carbonated soft drink sales

Source: A. C. Nielsen

** Source: Company data

1991 Per Capita Consumption of Company Products in Selected Countries

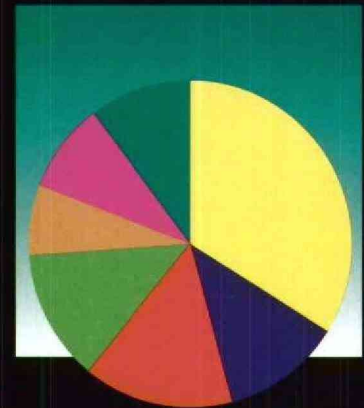
(8-Ounce Servings per Person per Year)



European Community Group

In 1991, Coke light became Europe's number three selling soft drink, behind Coca-Cola and Fanta. Despite adverse economic conditions in Great Britain, where gallon sales were down, overall gallon sales in the EC Group rose 6 percent. Two concentrate megaplants are now serving a vastly more efficient network of approximately 100 bottlers, less than half the number of just 10 years ago, and many Company departments have been reorganized to function on a pan-European basis.

European Community 1991 Unit Case Sales



Growth Rate

1991 vs. 1990

Gallon
Sales Unit Case
Sales

Germany	17%	19%
Great Britain	(9)%	(11)%
Spain	(2)%	6%
Italy	4%	4%
France	10%	11%
Benelux	8%	9%
Other	3%	4%
Total	6%	8%



Germany 13 manufacturing and distribution facilities operating in eastern Germany...two years after entering eastern Germany, sales reached 71 million unit cases...restructuring in western Germany resulted in further consolidation



Spain Comprehensive marketing programs implemented to capitalize on Summer Olympics and Seville's Expo '92



Italy Coca-Cola light reintroduced... strong bottler system initiated aggressive marketing programs... continued acquisition and consolidation of Company-owned bottling operations in the north



France Aggressive pricing and merchandising programs expanded market leadership nearly 4 points...emphasis on relationships with key retail customers improved in-store presence... intensified focus on cold drink market

Fueled by continued strong momentum in Japan, overall gallon sales increased 4 percent, despite several natural disasters in the region. Significant investments in soft drink production and distribution equipment are building a foundation for future growth in premier markets like Japan and Australia and in largely untapped markets like Indonesia and China.

Growth Rate

1991 vs. 1990

Gallon Sales Unit Case Sales

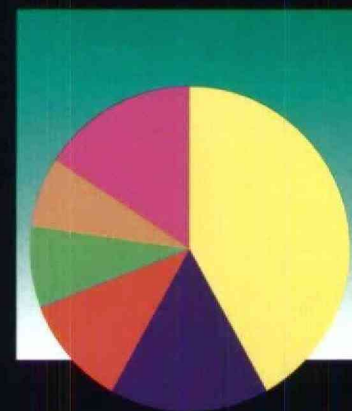
Japan*	7%	7%
Philippines	0%	(1)%
Australia	1%	2%
Korea	1%	(1)%
Thailand	3%	3%
Other	3%	7%
Total*	4%	4%

*Includes Japanese non-carbonated soft drinks

Pacific Group

1991 Unit Case Sales*

- Japan* 42%
- Philippines 16%
- Australia 11%
- Korea 8%
- Thailand 7%
- Other 16%



*Includes Japanese non-carbonated soft drinks



Japan Coca-Cola light unit case sales increased 35 percent...Georgia Ice Coffee and Cafe Au Lait Premium successfully launched... Betacarotene-enriched soft drink VegitaBeta and Bonaqua flavored water test marketed



Philippines Sprite position enhanced through launch of 1-liter package... pre-sell delivery program implemented, increasing distribution efficiencies... Company products accounted for 76 percent of industry soft drink sales



Thailand More than 100 million unit cases sold...strong Fanta and Sprite unit case sales helped secure Company market leadership...strong post-mix growth



Australia Lift and diet Lift launched... 12-pack cans rolled out... new Skysurfer commercial immensely successful... cold drink equipment placements increased by 34 percent



China Shanghai, Nanjing, Hangzhou and Tianjin plants sparked 64 percent unit case sales increase... cold drink availability increased... post-mix sales nearly doubled... joint venture bottling plant opened on Hainan Island

NEA Group

The Northeast Europe/Africa (NEA) Group registered excellent unit case sales growth in most major markets. This growth, however, was partly offset by the effects of recession and civil disturbances in some markets, principally in Africa. Overall, the NEA Group achieved a 5 percent increase in unit case sales and a 3 percent increase in gallon sales, as bottlers in Africa reduced concentrate inventories. During the year, important groundwork was laid for future growth in East Central Europe and the Middle East. The dynamic geopolitical environment and the move toward market economies bode well for the NEA Group.



Nigeria Double-digit unit case growth...larger packages and thousands of new coolers driving volume...new concentrate plant opened, permitting reduction in bottler's inventory levels, which moderated gallon sales growth



Norway New PET packaging contributed strongly to solid growth...Coke light reached 14 percent share, highest in world



Turkey Company-owned Ankara bottler set pace with 50 percent unit case growth...new Company-owned plant opened in Trabzon, contributing to overall solid growth



Austria Coke, Fanta, Sprite and each of their light versions all gained ground, propelling double-digit unit case growth...new PET packaging

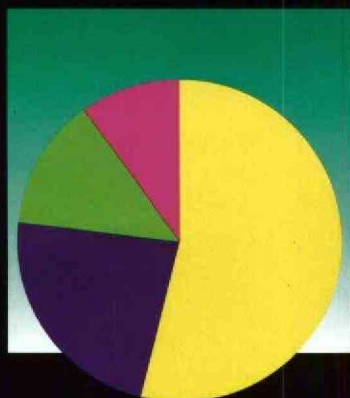
Growth Rate

1991 vs. 1990

	Gallon Sales	Unit Case Sales
Africa Division	(2)%	2%
East Central European Division	12%	9%
Middle East Division	27%	11%
Nordic and Northern Eurasia Division	(14)%	6%
Total	3%	5%

NEA Group

1991 Unit Case Sales

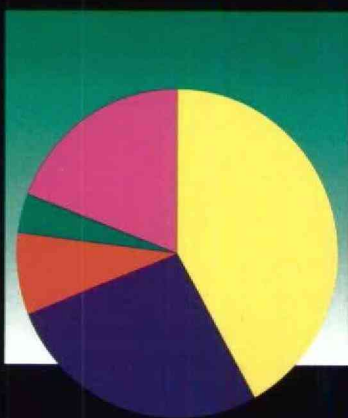


- Africa Division 53%
- East Central European Division 22%
- Middle East Division 13%
- Nordic and Northern Eurasia Division 12%

Latin America Group

Latin America Group 1991 Unit Case Sales

- Mexico 42%
- Brazil 27%
- Argentina 8%
- Chile 4%
- Other 19%



Gallon sales for the Latin America Group rose 8 percent, thanks in part to falling trade barriers and government deregulation, which permitted the introduction of larger package sizes. Larger packages were introduced in Guatemala, Colombia, Paraguay, Chile and Mexico. And in Brazil and Argentina, the 1.5-liter PET bottle is quickly becoming the most popular package. Mexico became the first country outside the United States to sell more than 1 billion unit cases in a year.

Growth Rate 1991 vs. 1990

	Gallon Sales	Unit Case Sales
Mexico	7%	6%
Brazil	4%	4%
Argentina	31%	31%
Chile	11%	9%
Other	9%	9%
Total	8%	8%



Mexico Larger refillable glass and 1.5-liter PET packages launched...Sprite launched in key markets...significant investments in production and distribution infrastructure



Brazil Four new production facilities opened, four more planned for 1992...larger cups and 2,200 additional dispensers helped increase post-mix volume

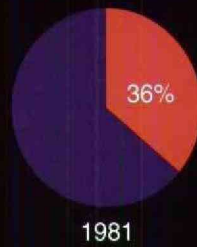


Argentina Diet Coke reformulated and relaunched...cans introduced in key markets...larger package sizes helped drive 31 percent unit case sales increase

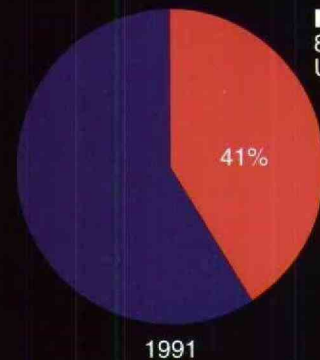


Chile Diet Coke unit case sales up 29 percent...340 additional post-mix units placed...cans launched in Santiago and other key markets...key account management system implemented for large customers

Coca-Cola USA Share of Total Industry Sales
Carbonated Soft Drink Unit Cases



Industry
 5 Billion
 Unit Cases



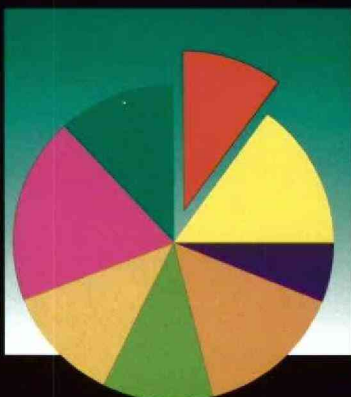
Industry
 8 Billion
 Unit Cases

Coca-Cola USA

Representing 33 percent of the Company's total sales, more than 3 billion unit cases, Coca-Cola USA posted impressive results, gaining share and volume on an already phenomenal base. Coca-Cola USA now accounts for 41 percent of total U.S. soft drink sales. Coca-Cola USA's gallon sales increased more than 2 percent, and unit case sales increased 2.5 percent, substantially higher than the rest of the industry.

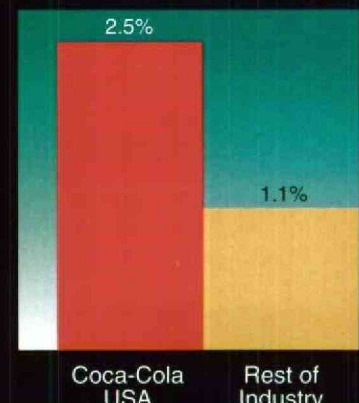
To grasp the sheer size of Coca-Cola USA's growth last year, consider that the division already accounts for 10 percent of America's total liquid consumption. In 1991, the gap between Coca-Cola USA and its nearest competitor expanded to more than our total annual case sales in Brazil, our second-largest international market.

Total Liquid Consumption



- Coca-Cola USA 10%
- Other Carbonated Soft Drinks 15%
- Juice 6%
- Milk 15%
- Coffee 11%
- Beer 12%
- Tap Water 19%
- Other 12%

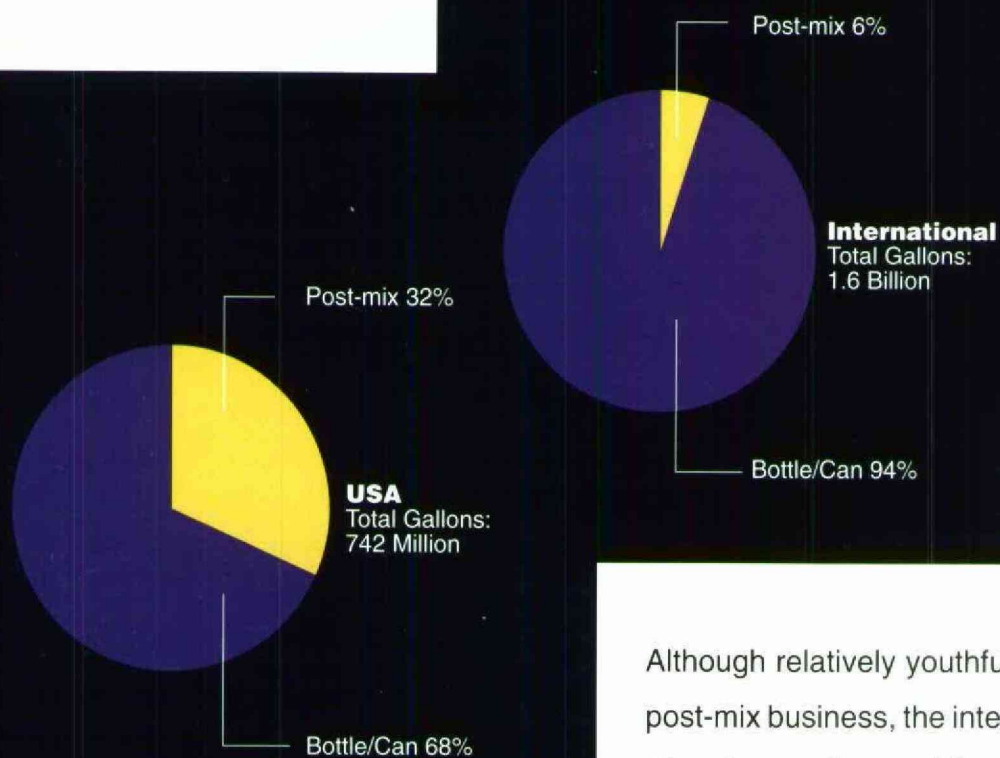
1991 Unit Case Sales Growth



Coca-Cola
 USA

Rest of
 Industry

Post-Mix Opportunity

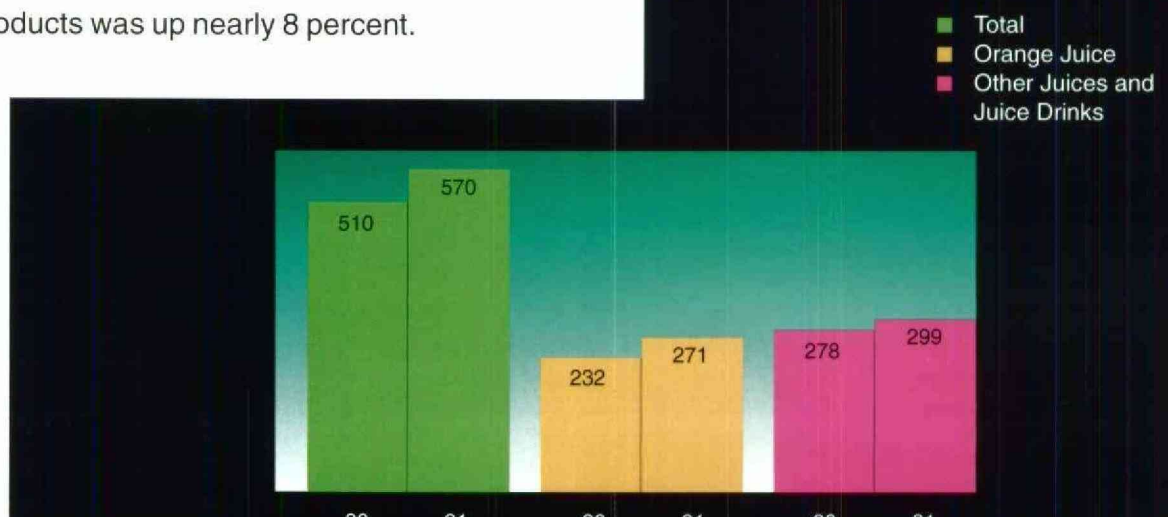


Although relatively youthful compared to the U.S. post-mix business, the international post-mix business is growing rapidly and holds tremendous worldwide potential. In 1991, post-mix accounted for 32 percent of total U.S. soft drink gallon sales, but only 6 percent of international sales.

An emphasis on strengthening the Minute Maid trademark and driving volume resulted in continued market leadership and a 12 percent increase in unit volume at Coca-Cola Foods. Total orange juice volume increased nearly 17 percent, including a 22 percent increase in retail volume for Minute Maid orange juice. Volume of other juice and juice-drink products was up nearly 8 percent.

Coca-Cola Foods

Total Sales
In Millions of Gallons



Financial Report

46	Financial Review Incorporating Management's Discussion and Analysis
54	Selected Financial Data
56	Consolidated Balance Sheets
58	Consolidated Statements of Income
59	Consolidated Statements of Cash Flows
60	Consolidated Statements of Share-Owners' Equity
61	Notes to Consolidated Financial Statements
71	Report of Independent Auditors
72	Report of Management
73	Quarterly Data
73	Financial Glossary

Financial Review Incorporating Management's Discussion and Analysis The Coca-Cola Company and Subsidiaries

Management's primary objective is to maximize share-owner value over time. To accomplish this objective, The Coca-Cola Company and subsidiaries (the Company) have developed a comprehensive business strategy that emphasizes maximizing long-term cash flow by increasing gallon sales, optimizing profit margins, expanding global business systems through investment in areas offering attractive returns and maintaining an appropriate capital structure. The success of this strategy is evidenced by the growth in the Company's cash flow and earnings, its increased returns on total capital and equity and the total return to its share owners.

Global Business Systems: The Company distributes its products in more than 185 countries. In 1991, the Coca-Cola system continued to expand into new markets, including joint ventures in Hungary, Romania and Indonesia, and investments in production and distribution infrastructure in eastern Germany and Poland. Per capita consumption of Company products increased in most markets. With effective global systems in place, the Company is well positioned to capitalize on investment opportunities as they arise.

Investments: Management seeks investments that strategically enhance existing operations and offer cash returns that exceed the Company's long-term weighted average cost of capital, estimated by management to be approximately 12 percent after taxes. Capital expenditures in 1991 amounted to approximately \$678 million in the Company's soft drink business, \$57 million in its foods sector and \$57 million in its corporate operations.

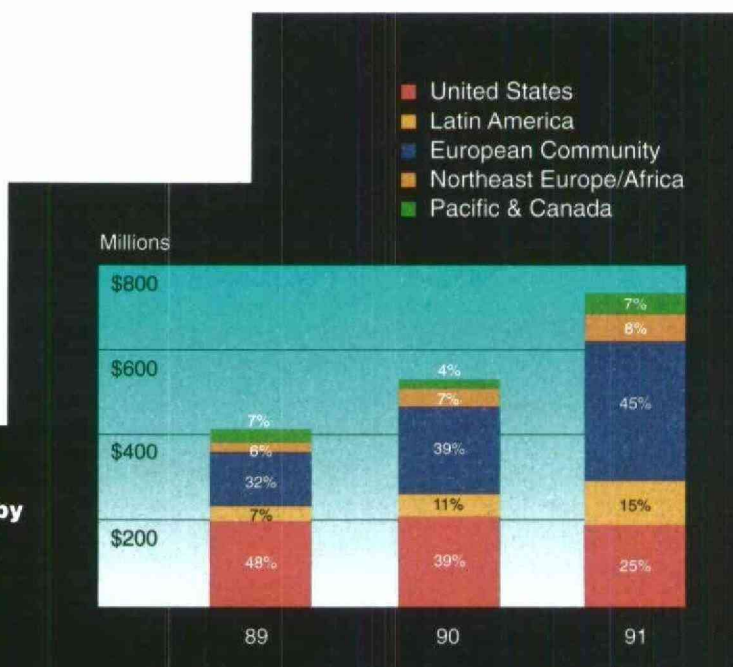
The Company's soft drink business provides an attractive area for investment due to its inherent high returns. Most soft drink markets are relatively undeveloped compared to the United States market. International per capita

consumption of Company products is still only 13 percent of the United States level. As a result, attractive investment opportunities exist to expand the production, distribution and marketing systems in these markets. Additional strategic investments are also required in the relatively more developed markets to increase product availability, enhance marketing focus and improve efficiency. Efficiencies have been gained through the continued consolidation of production and distribution networks and investment in the latest technology and information systems.

A significant element of the Company's financial framework is bottling investments. The principal objective of these investments is to ensure the strongest and most efficient production, distribution and marketing systems possible, in order to maximize long-term growth in volume, cash flow and share-owner value of the bottler and the Company.

When considered appropriate, the Company makes equity investments in bottling companies (typically between 20 percent and 50 percent). Through these investments, the Company is able to help focus and improve sales and marketing programs, assist in the development of effective business and information systems and help establish capital structures appropriate for these respective operations.

**Capital Expenditures by
Geographic Area**



Financial Review Incorporating Management's Discussion and Analysis *The Coca-Cola Company and Subsidiaries*

In certain situations, management believes it is advantageous to own a controlling interest in bottling operations. For example, in eastern Germany, the Company's objective is to establish a modern soft drink business quickly. Due to the limited local resources, this is being accomplished through a wholly-owned bottling subsidiary.

In connection with restructuring the bottling system, the Company periodically participates in bottler ownership changes or takes temporary ownership positions in bottlers. The length of ownership is influenced by various factors, including operational changes, management changes or other restructuring that may be taking place at the bottler itself, and the process of identifying appropriate new investors.

At December 31, 1991, the Company owned approximately 51 percent of Coca-Cola Amatil Limited (CCA), an Australian-based bottler of Company products and manufacturer of snack foods. The Company expects to reduce its ownership interest to below 50 percent within the next 3 years. Accordingly, the investment has been accounted for by the equity method of accounting. If valued at the December 31, 1991, quoted closing price of the publicly traded CCA common shares, the calculated value of the Company's investment in CCA exceeded its \$571 million carrying value by approximately \$201 million at December 31, 1991.

At December 31, 1991, the Company had an additional \$279 million of investments that represented majority interests in companies that were not consolidated. These investments were accounted for by the cost or equity methods, depending on the circumstances. Approximately \$170 million related to recent acquisitions that will be consolidated in 1992 when alignment of financial reporting systems is complete. The remainder related primarily to a temporary majority interest in The Coca-Cola Bottling Company of New York, Inc., which management expects to reduce to below 50 percent within the next 2 years. Based on management's estimates, the market values of these majority-owned investments exceeded their carrying values at December 31, 1991.

The Company's consolidated bottling subsidiaries produced and distributed approximately 5 percent of worldwide bottle/can unit case sales and generated approximately \$1.5 billion in revenues in 1991. Equity investee bottlers produced and distributed an additional 33 percent of worldwide bottle/can unit case sales.

Gallon Sales and Margins: The Company's emphasis on profitable gallon-sales growth is reflected in its level of re-investment in the form of increased advertising. Advertising expenditures increased to \$988 million in 1991, compared to \$932 million in 1990 and \$888 million in 1989. These expenditures position and enhance the Company's products as industry leaders.

Gallon sales and profits have benefited from the Company's ownership of and investments in bottling operations. While the bottling business has relatively lower margins on sales revenue compared to the concentrate business, aggressive investment in soft drink infrastructure has resulted in growth in share and unit case sales at the bottler level, which in turn generates gallon-sales gains for the concentrate business.

The Company manages its concentrate and bottling operations so as to optimize profit margins while at the same time increasing gallon-sales growth and its share of soft drink sales. Through cost control and efficient marketing, the Company has generally been able to maintain or improve margins in 1991 despite declining economic conditions in several key markets.

Capital Structure: The Company utilizes prudent debt levels to lower its overall cost of capital and increase its total return to share owners. The Company operates under a self-imposed net-debt-to-net-capital ratio ceiling of 35 percent, excluding the Company's finance subsidiary. Net debt represented 20.9 percent of net capital at December 31, 1991, compared with 22.8 percent at December 31, 1990. Net debt and net capital are net of \$.8 billion and \$1.2 billion of cash, cash equivalents and current marketable securities in excess of operating requirements at December 31, 1991 and 1990, respectively.

Financial Review Incorporating Management's Discussion and Analysis *The Coca-Cola Company and Subsidiaries*

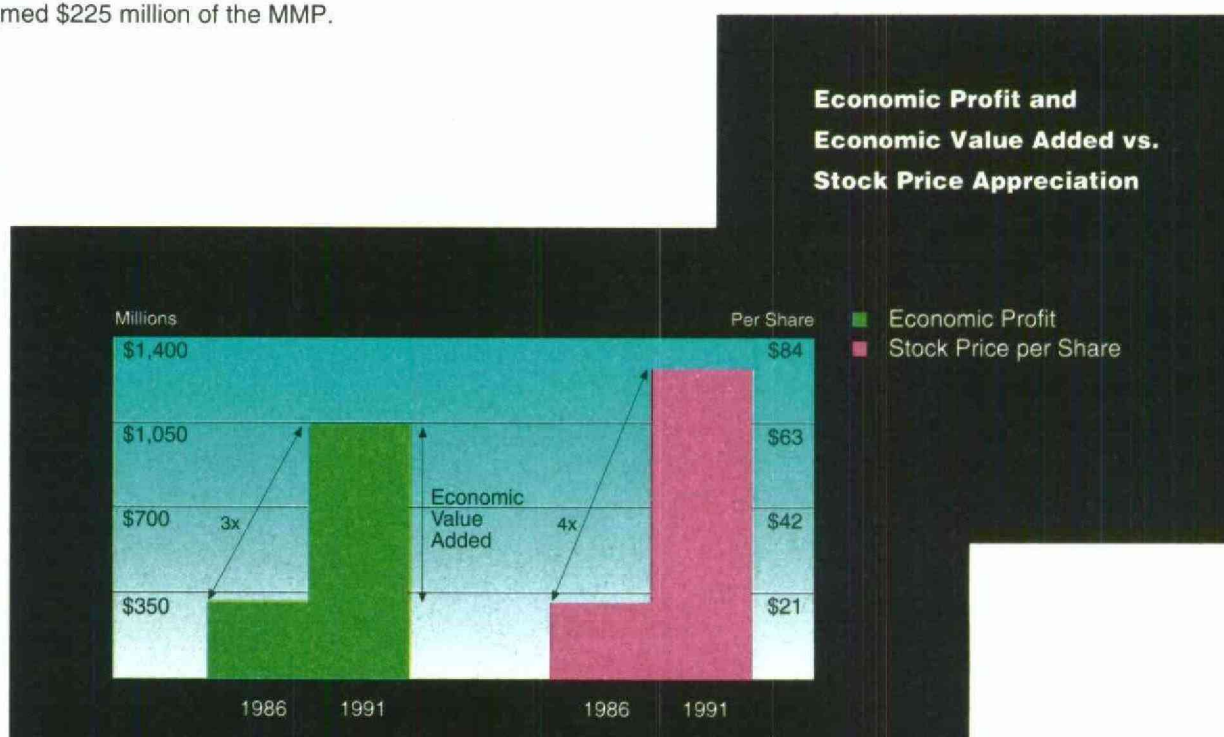
Additional borrowing capacity within the 35 percent net debt ceiling was approximately \$1.2 billion at December 31, 1991, excluding the Company's finance subsidiary. The Company anticipates using this additional borrowing capacity principally to fund investment opportunities that meet its strategic and financial objectives and, as a second priority, to fund the share repurchase program.

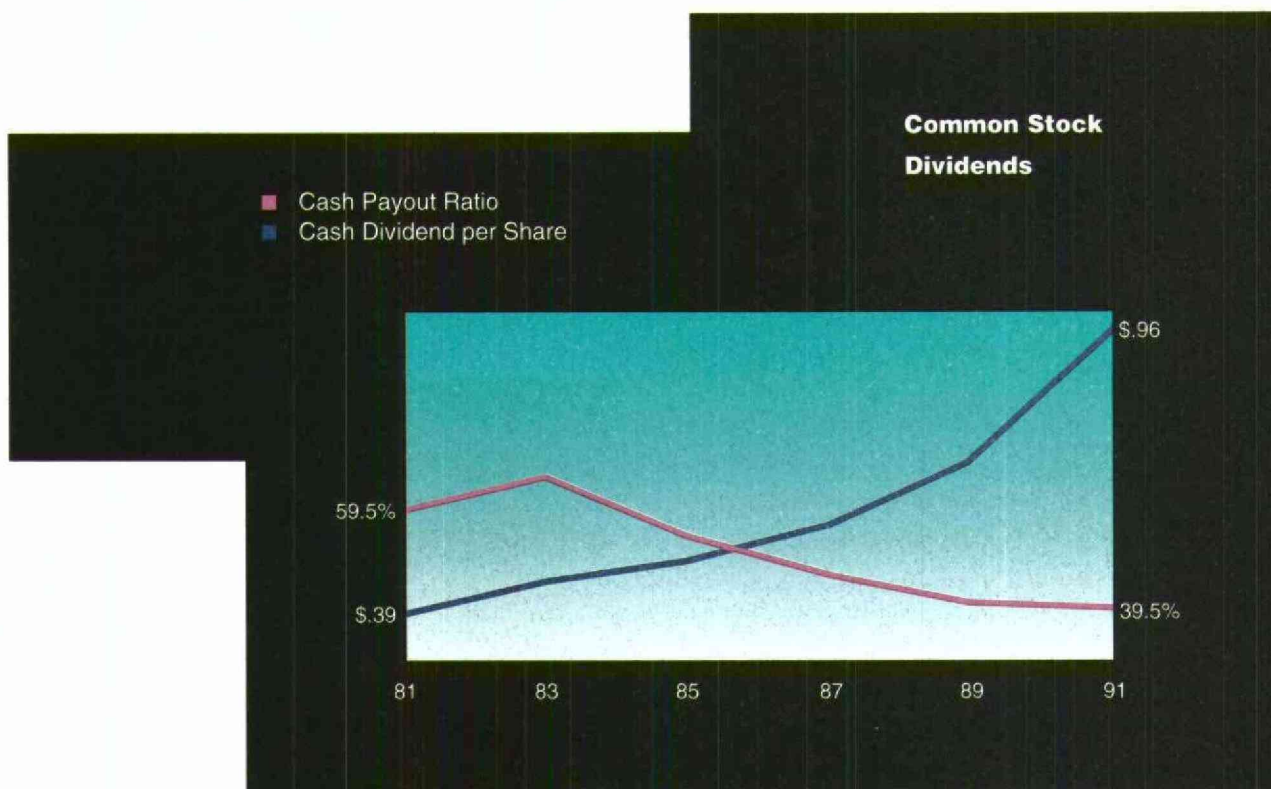
In October 1989, the Board of Directors approved a plan to repurchase up to an additional 40 million shares of the Company's common stock. Under this program, approximately 24.8 million shares (including 6.9 million shares in 1991) have been repurchased at an aggregate cost of approximately \$1 billion (including \$397 million in 1991). Since the introduction of share repurchase programs in 1984, the Company has repurchased 192.6 million shares at an aggregate cost of approximately \$4 billion. This represents nearly a quarter of the Company's common shares that were outstanding in 1984. If these shares were valued based on the December 31, 1991, quoted closing price of the Company's common stock traded on the New York Stock Exchange, the result would be approximately \$15.5 billion.

In February 1991, the Company completed the redemption of the remaining \$75 million of its initial \$300 million of Cumulative Money Market Preferred Stock (MMP). In 1990, the Company redeemed \$225 million of the MMP.

The Company's capital structure and financial policies have resulted in long-term credit ratings of "AA" from Standard & Poor's and "Aa2" from Moody's, as well as the highest credit ratings available for its commercial paper programs. The Company's strong financial position and cash flow allow it opportunistic access to financing in financial markets around the world.

Economic Profit and Economic Value Added: A significant portion of the increase in the rate of growth of the Company's earnings, returns and cash flows can be attributed to the Company taking actions to (a) increase share and gallon-sales growth for its products, (b) increase its investments in the high-margin, high-return soft drink business and (c) manage its existing asset base effectively and efficiently. Economic Profit and Economic Value Added provide a management framework to measure the impact of these value-oriented actions. Economic Profit is defined as net operating profit after taxes in excess of capital charges for average operating capital employed. Economic Value Added represents the growth in Economic Profit from year to year.





Over the last five years, Economic Profit has grown more than 3 times, resulting in Economic Value Added to the Company of \$732 million. Over the same period, the Company's stock price has increased more than 4 times. Management believes that, over the long term, growth in Economic Profit, or Economic Value Added, will have a positive impact on the growth in share-owner value.

Return to Share Owners: During the past decade, the share owners of the Company have enjoyed an excellent return on their investment. A \$100 investment in the Company's common stock at December 31, 1981, together with reinvested dividends, would be worth approximately \$1,902 at December 31, 1991—an average annual compounded return of 34.3 percent.

Strong earnings growth has enabled the Company to reduce the dividend payout ratio while increasing the cash dividend per common share by an average annual compounded growth rate of 9.4 percent since December 31, 1981. The annual common stock dividend was \$.96 per

share, \$.80 per share and \$.68 per share in 1991, 1990 and 1989, respectively. At its February 1992 meeting, the Board of Directors increased the quarterly dividend per common share to \$.28, equivalent to a full-year common dividend of \$1.12 in 1992. This is the 30th consecutive year in which the Board of Directors has approved common stock dividend increases.

With approval from the Board of Directors, management plans to maintain a common stock dividend payout ratio of approximately 40 percent of earnings available to common share owners. The 1991 dividend payout ratio was 46.9 percent based on prior year earnings available to common share owners and 39.5 percent based on current year results.

Management's Discussion and Analysis

Lines of Business

The Company operates in two major lines of business: soft drinks and foods (principally juice and juice-drink products).

Soft Drinks: The Company is the largest manufacturer, marketer and distributor of soft drink concentrates and syrups in the world. It manufactures soft drink concentrates and syrups, which it sells to bottling and canning operations, and manufactures fountain/post-mix soft drink syrups, which it sells to authorized fountain wholesalers and some fountain retailers. The Company has substantial equity investments in numerous soft drink bottling and canning operations, and it owns and operates certain bottling and canning operations outside the United States.

Foods: The foods business sector's principal business is processing and marketing citrus and other juice and juice-drink products, primarily orange juice. It is the world's largest marketer of packaged citrus products.

Operating Results

Soft Drinks: Worldwide revenues and operating income for the Company's soft drink business increased in 1991 primarily due to gallon-sales growth, price increases and continued expansion of bottling and canning operations. In 1990, revenues and operating income increased due to gallon-sales growth, price increases and the positive exchange effects of a weaker dollar.

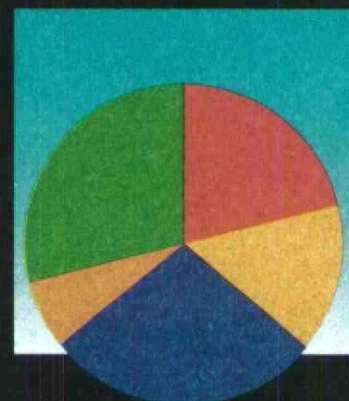
Gallon sales of concentrates and syrups increased 5 percent and 6 percent in 1991 and 1990, respectively. Operating income increased 18 percent in 1991 compared to 16 percent in 1990, excluding nonrecurring items. Operating income in both years was favorably affected by system efficiencies and a more favorable product mix.

In the United States, gallon sales increased more than 2 percent in 1991, compared to an increase of just over 3 percent in 1990. The increase in 1991 was due in part to full-year results from significant fountain customers added in 1990. The Company's growth in the United States outpaced the growth of the rest of the industry in both 1991 and 1990.

Soft drink gallon sales outside the United States increased 6 percent in 1991 and 8 percent in 1990. Approximately 68 percent of soft drink gallon sales were generated outside the United States in 1991 and 1990.

In 1991, international performance was led by strong results in Latin America, where gallon sales advanced 8 percent. Gallon sales increased 6 percent in the European Community, 4 percent in the Pacific and 3 percent in North-east Europe/Africa.

**1991 Operating Income by
Geographic Area**



Financial Review Incorporating Management's Discussion and Analysis *The Coca-Cola Company and Subsidiaries*

In 1990, gallon sales increased 14 percent in the European Community, 11 percent in the Pacific, 8 percent in Northeast Europe/Africa and 4 percent in Latin America.

Foods: In the foods business sector, 1991 revenues increased 2 percent and operating income increased 11 percent, primarily due to a 12 percent volume increase, partially offset by price decreases. The volume increase reflects 17 percent and 29 percent growth in the Company's retail chilled and frozen orange juice categories, respectively. The volume increase for chilled orange juice benefited from a 38 percent volume gain for Minute Maid Premium Choice not-from-concentrate orange juice.

In 1990, revenues increased 1 percent, primarily due to price increases, offset by volume decreases. Revenues in 1990 increased 3 percent after adjustments for business disposals in 1989.

Selling, Administrative and General Expenses

Selling expenses were \$3.5 billion in 1991, \$3.2 billion in 1990 and \$2.6 billion in 1989. The increases in 1991 and 1990 were due primarily to higher marketing investments in line with expansion of the business.

Administrative and general expenses increased 24 percent and 20 percent in 1991 and 1990, respectively. The 1991 increase was due to the growth of the business and stock-related employee benefits. The 1990 increase was due to the growth of the business and the inclusion of a full year of administrative and general expenses of the French bottling operation acquired in 1989. Administrative and general expenses, as a percentage of net operating revenues, were approximately 9 percent in 1991 and 8 percent in 1990 and 1989.

Interest Income and Interest Expense

Interest expense declined in 1991 due primarily to lower interest rates. Interest income in 1991 remained consistent with 1990 levels.

Interest income and interest expense decreased in 1990 due primarily to lower average invested balances and borrowings and lower interest rates.

Equity Income

Equity income decreased \$70 million in 1991 due primarily to a decrease in earnings of Coca-Cola Enterprises Inc. (CCE). CCE's 1991 results were less than prior year earnings due to pretax restructuring charges of \$152 million, a pretax charge of \$15 million to increase insurance reserves and a nonrecurring gain that was recorded by CCE in 1990. The 1991 decrease in equity income was partially offset by improved results of the Company's United Kingdom equity investee, Coca-Cola & Schweppes Beverages Ltd. (CC&SB), which implemented a cost reduction program during 1991.

In 1990, equity income increased approximately \$35 million due primarily to the inclusion of a full year of equity earnings from CCA and growth in earnings of CCE and CC&SB. CCE's 1990 earnings included a pretax gain of approximately \$56 million on the sale of two bottling operations to Johnston Coca-Cola Bottling Group, Inc. (Johnston), a bottling company that, at the time of the sale, was 22 percent owned by the Company. CCE's 1990 results also included nonrecurring charges of \$19 million.

Other Income—Net

The \$28 million favorable change in other income—net in 1991 results from a pretax gain of \$69 million on the sale of property no longer required as a result of a consolidation of concentrate operations in Japan and a pretax gain of \$27 million on the sale of the Company's 22 percent ownership interest in Johnston to CCE. This favorable change was partially offset by an increase in net foreign exchange costs (including certain hedging costs) and a nonrecurring gain that was recorded in the prior year.

The \$52 million unfavorable change in other income—net in 1990 is due to a \$61 million pretax gain recorded in 1989 related to the sale of Belmont Springs Water Co., Inc. and net foreign exchange costs in 1990 compared to net foreign exchange gains in 1989. This unfavorable change was partially offset by a 1990 pretax gain of \$52 million on the Company's investment in BCI Securities L.P. (BCI) resulting from BCI's sale of Beatrice Company stock.

Discontinued Operation

In November 1989, the Company sold its common and preferred stock investments in Columbia Pictures Entertainment, Inc. (CPE) for approximately \$1.6 billion in cash. The sale resulted in a pretax gain of approximately \$930 million. On an after-tax basis, the gain was approximately \$509 million or \$.74 per common share. CPE has been reported as a discontinued operation, and, accordingly, the gain from the sale of CPE stock and the Company's equity income from CPE have been reported separately from continuing operations.

Liquidity and Capital Resources

The Company generates a significant amount of cash from operations. Normalized free cash flow (defined as operating cash flow less capital expenditures) was \$1.3 billion in 1991, \$691 million in 1990 and \$672 million in 1989.

In 1991, primary sources of cash were from operations, issuances of debt and the sale of the Company's 22 percent ownership interest in Johnston. Primary uses of cash were payments of debt, capital expenditures, dividends, purchases of common stock for treasury and acquisitions of businesses.

In 1990, primary sources of cash were from operations, issuances of debt, the sale of a temporary investment and the sale of CCE stock to CCE under a share repurchase program. Major uses of cash were capital expenditures, dividends, estimated tax payments related to the 1989 gain on the sale of CPE stock, purchases of common stock for treasury and the redemption of preferred stock.

At December 31, 1991, the Company had \$753 million in lines of credit and other short-term credit facilities contractually available, under which \$111 million was outstanding. The lines included \$505 million designated to support commercial paper and other borrowings, of which no amounts were outstanding at December 31, 1991.

The Company's ratio of earnings to fixed charges was 11.6 in 1991, 8.5 in 1990 and 6.2 in 1989. The Company aggressively manages its mix of short-term versus long-term debt to lower its overall cost of borrowing, resulting in current liabilities exceeding current assets at December 31, 1990.

The increase in prepaid expenses and other assets in 1991 was primarily due to growth in the business, increases in prepaid marketing expenses and amounts due from the sale of assets.

While total debt decreased in 1991, the Company increased its long-term debt levels. During 1991, the Company issued \$250 million of 7³/₄ percent five-year notes due in 1996 and \$250 million of 7⁷/₈ percent seven-year notes due in 1998. The proceeds were used to pay current loans and notes payable and replace \$86 million of 11³/₈ percent notes that matured in 1991.

Financial Review Incorporating Management's Discussion and Analysis *The Coca-Cola Company and Subsidiaries*

In 1990, working capital accounts, including trade accounts receivable, inventories and accounts payable, increased due primarily to the expansion of French bottling operations and entry into the eastern German market. Pre-paid expenses and other assets decreased in 1990 due to the sale of a temporary investment to CCE.

The 1990 decrease in accrued taxes reflects estimated tax payments related to the gain on the November 1989 sale of the Company's investment in CPE. The estimated tax payments resulted in an increase in loans and notes payable. The 1990 increase in loans and notes payable was also attributable to capital investments, the redemption of preferred stock and the share repurchase program.

International Operations

Approximately 79 percent of total operating income in 1991 was generated by operations outside the United States. International operations are subject to certain opportunities and risks, including currency fluctuations and government actions. The Company closely monitors its methods of operating in each country and adopts strategies responsive to changing economic and political environments. In addition, the Company engages in various hedging activities to minimize potential losses on cash flows denominated in foreign currencies.

The Company uses approximately 40 functional currencies. For the Company, the weighted average annual exchange rates of foreign hard currencies, compared to the U.S. dollar, weakened slightly during 1991 and strengthened approximately 5 percent in 1990. In 1991, 1990 and 1989, weighted average exchange rates for certain key foreign currencies strengthened (weakened) against the U.S. dollar as follows:

	1991	1990	1989
Australian dollar	1 %	0 %	1 %
British pound	(1)%	10 %	(9)%
Canadian dollar	1 %	2 %	4 %
German mark	(3)%	17 %	(6)%
Japanese yen	8 %	(5)%	(7)%

Exchange effects recorded in other income—net were \$(22) million in 1991, \$(.5) million in 1990 and \$20 million in 1989. Exchange effects include costs of hedging certain balance sheet, translation and transaction exposures, net gains or losses on foreign currency transactions and the remeasurement of foreign currencies into functional currencies.

Impact of Inflation and Changing Prices

Inflation is a factor in many markets around the world and consequently impacts the way the Company operates. In general, management believes that the Company is able to adjust prices to counteract the effects of increasing costs and generate sufficient cash flow to maintain its productive capability.

In highly inflationary countries, the Company has benefited from its net monetary liability position in recent years. This position is viewed as a hedge against the effects of inflation, since net liabilities would ultimately be paid with devalued currency.

Additional Information

For additional information concerning the Company's operations, cash flow, liquidity and capital resources, this analysis should be read in conjunction with the information on pages 56 through 72 of this Annual Report. Additional information concerning operations in different lines of business and geographic areas is presented on pages 69 and 70.

Selected Financial Data *The Coca-Cola Company and Subsidiaries*

Year Ended December 31,
(In millions except per share data and ratios)

Summary of Operations

	1991	1990	1989	1988
Net operating revenues	\$11,572	\$10,236	\$8,622	\$8,065
Cost of goods sold	4,649	4,208	3,548	3,429
Gross profit	6,923	6,028	5,074	4,636
Selling, administrative and general expenses	4,604	4,076	3,348	3,038
Provisions for restructured operations and disinvestment	—	—	—	—
Operating income	2,319	1,952	1,726	1,598
Interest income	175	170	205	199
Interest expense	192	231	308	230
Equity income	40 ¹	110	75	92
Other income (deductions)—net	41	13	66	(33)
Income from continuing operations before income taxes	2,383	2,014	1,764	1,626
Income taxes	765	632	571	537
Income from continuing operations	\$ 1,618	\$ 1,382	\$1,193	\$1,089
Net income	\$ 1,618	\$ 1,382	\$1,724	\$1,045
Preferred stock dividends	1	18	22	7
Net income available to common share owners	\$ 1,617	\$ 1,364	\$1,702 ²	\$1,038
Depreciation	\$ 254	\$ 236	\$ 181	\$ 167
Capital expenditures	\$ 792	\$ 593	\$ 462	\$ 387
Average common shares outstanding	666	669	692	729

Per Common Share Data

Income from continuing operations	\$ 2.43	\$ 2.04	\$ 1.69	\$ 1.48
Net income	2.43	2.04	2.46 ²	1.42
Cash dividends	.96	.80	.68	.60
Market price at December 31	80.25	46.50	38.63	22.31

Balance Sheet Data

Cash, cash equivalents and marketable securities	\$ 1,117	\$ 1,492	\$1,182	\$1,231
Property, plant and equipment—net	2,890	2,386	2,021	1,759
Total assets	10,222	9,278	8,283	7,451
Long-term debt	985	536	549	761
Total debt	2,287	2,537	1,981	2,124
Share-owners' equity	4,426	3,849	3,485	3,345
Total capital ³	6,713	6,386	5,466	5,469

Other Key Financial Measures²

Return on common equity	39.5%	39.2%	37.6%	34.7%
Return on capital	26.7%	26.0%	25.6%	21.3%
Economic profit	\$ 1,043	\$ 918	\$ 819	\$ 748
Total-debt-to-total-capital	34.1%	39.7%	36.2%	38.8%
Net-debt-to-net-capital	20.9%	22.8%	14.0%	18.9%
Dividend payout ratio	39.5%	39.2%	27.6% ²	42.1%

¹Equity income in 1991 includes a reduction of \$44 million related to restructuring charges recorded by Coca-Cola Enterprises Inc.

²Net income available to common share owners in 1989 includes after-tax gains of \$545 million (\$.79 per common share) from the sale of the Company's equity interest in Columbia Pictures Entertainment, Inc. and the Company's bottled water business. Excluding these gains, the dividend payout ratio in 1989 was 41 percent.

1987	1986	1985	1984	1983	1982 ⁴	1981
\$7,658	\$6,977	\$5,879	\$5,442	\$5,056	\$4,760	\$4,836
3,633	3,454	2,909	2,738	2,580	2,472	2,675
4,025	3,523	2,970	2,704	2,476	2,288	2,161
2,665	2,446	2,163	1,855	1,648	1,515	1,441
36	180	—	—	—	—	—
1,324	897	807	849	828	773	720
232	154	151	133	90	119	85
297	208	196	128	77	76	34
64	45	52	42	35	25	20
40	410	69	13	2	11	(20)
1,363	1,298	883	909	878	852	771
496	471	314	360	374	379	339
\$ 867	\$ 827	\$ 569	\$ 549	\$ 504	\$ 473	\$ 432
\$ 916	\$ 934	\$ 722	\$ 629	\$ 559	\$ 512	\$ 482
—	—	—	—	—	—	—
\$ 916	\$ 934	\$ 722	\$ 629	\$ 559	\$ 512	\$ 482
\$ 152	\$ 151	\$ 130	\$ 119	\$ 111	\$ 104	\$ 94
\$ 304	\$ 346	\$ 412	\$ 300	\$ 324	\$ 273	\$ 279
755	774	787	793	817	779	742
\$ 1.15	\$ 1.07	\$.72	\$.69	\$.62	\$.61	\$.58
1.21	1.21	.92	.79	.68	.66	.65
.56	.52	.49	.46	.45	.41	.39
19.06	18.88	14.08	10.40	8.92	8.67	5.79
\$1,489	\$ 895	\$ 843	\$ 768	\$ 559	\$ 254	\$ 344
1,602	1,538	1,483	1,284	1,247	1,233	1,160
8,606	7,675	6,341	5,241	4,540	4,212	3,373
909	996	801	631	428	423	132
2,995	1,848	1,280	1,310	520	493	227
3,187	3,479	2,948	2,751	2,912	2,779	2,271
6,182	5,327	4,228	4,061	3,432	3,272	2,498
26.0%	25.7%	20.0%	19.4%	17.7%	18.7%	19.9%
18.3%	20.1%	16.8%	16.7%	16.4%	17.9%	18.8%
\$ 417	\$ 311	\$ 269	\$ 268	\$ 138	\$ 61	\$ 98
48.4%	34.7%	30.3%	32.3%	15.2%	15.1%	9.1%
15.4%	10.9%	15.6%	19.7%	5.6%	13.6%	2.9%
46.0%	43.1%	53.8%	57.9%	65.3%	62.8%	59.5%

³ See Financial Glossary on page 73.

⁴ In 1982, the Company adopted SFAS No. 52, "Foreign Currency Translation."

Operating Income

Compound Growth Rates



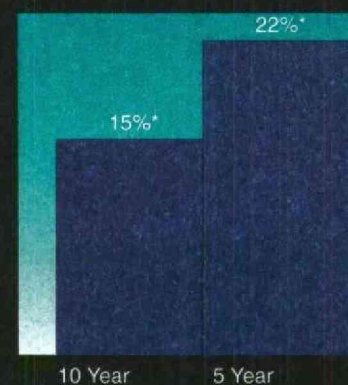
Income from Continuing Operations

Compound Growth Rates



Income from Continuing Operations per Common Share

Compound Growth Rates



*Excludes unusual items

Consolidated Balance Sheets *The Coca-Cola Company and Subsidiaries*

December 31, (In thousands except share data)	1991	1990
Assets		
Current		
Cash and cash equivalents	\$ 1,058,250	\$1,429,555
Marketable securities, at cost (approximates market)	58,946	62,569
	1,117,196	1,492,124
Trade accounts receivable, less allowances of \$34,567 in 1991 and \$29,510 in 1990	933,448	913,541
Finance subsidiary—receivables	36,172	38,199
Inventories	987,764	982,313
Prepaid expenses and other assets	1,069,664	716,601
Total Current Assets	4,144,244	4,142,778
Investments and Other Assets		
Investments		
Coca-Cola Enterprises Inc. (CCE)	602,776	666,847
Coca-Cola Amatil Limited	570,774	569,057
Other, principally bottling companies	980,465	788,718
Finance subsidiary—receivables	288,471	128,119
Long-term receivables and other assets	442,135	321,977
	2,884,621	2,474,718
Property, Plant and Equipment		
Land	172,781	147,057
Buildings and improvements	1,200,672	1,059,969
Machinery and equipment	2,680,446	2,204,188
Containers	390,737	374,526
	4,444,636	3,785,740
Less allowances for depreciation	1,554,754	1,400,175
	2,889,882	2,385,565
Goodwill and Other Intangible Assets		
	303,681	275,126
	\$10,222,428	\$9,278,187

December 31,

1991

1990

Liabilities and Share-Owners' Equity**Current**

Accounts payable and accrued expenses	\$ 1,914,379	\$1,576,426
Loans and notes payable	845,823	1,742,179
Finance subsidiary—notes payable	346,767	161,432
Current maturities of long-term debt	109,707	97,272
Accrued taxes	900,884	719,182
Total Current Liabilities	4,117,560	4,296,491

Long-Term Debt

985,258 535,861

Other Liabilities

493,765 332,060

Deferred Income Taxes

200,027 264,611

Share-Owners' Equity

Preferred stock, \$1 par value—

Authorized: 100,000,000 shares; Issued: 3,000 shares of Cumulative Money

Market Preferred Stock in 1991 and 1990; Outstanding: No shares in 1991;

750 shares in 1990, stated at aggregate liquidation preference — 75,000

Common stock, \$.50 par value—

Authorized: 1,400,000,000 shares; Issued: 843,675,547 shares in 1991;

840,487,486 shares in 1990 421,838 420,244

Capital surplus

639,990 512,703

Reinvested earnings

7,425,514 6,447,576

Unearned compensation related to outstanding restricted stock

(114,909) (67,760)

Foreign currency translation adjustment

(4,909) 4,031

8,367,524 7,391,794

Less treasury stock, at cost (179,195,464 common shares in 1991;

172,248,315 common shares in 1990) 3,941,706 3,542,630

4,425,818 3,849,164

\$10,222,428 \$9,278,187

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income *The Coca-Cola Company and Subsidiaries*

<i>Year Ended December 31,</i> <i>(In thousands except per share data)</i>	1991	1990	1989
Net Operating Revenues	\$11,571,614	\$10,236,350	\$8,622,287
Cost of goods sold	4,648,385	4,208,850	3,548,570
Gross Profit	6,923,229	6,027,500	5,073,717
Selling, administrative and general expenses	4,604,184	4,075,936	3,347,932
Operating Income	2,319,045	1,951,564	1,725,785
Interest income	175,406	169,985	205,035
Interest expense	192,515	230,979	308,034
Equity income (1991 reduced by \$44 million related to restructuring charges recorded by CCE)	39,975	110,139	75,490
Other income—net	41,368	13,727	66,034
Income from Continuing Operations before Income Taxes	2,383,279	2,014,436	1,764,310
Income taxes	765,277	632,532	571,471
Income from Continuing Operations	1,618,002	1,381,904	1,192,839
Equity income from discontinued operation	—	—	21,537
Gain on sale of discontinued operation (net of income taxes of \$421,021)	—	—	509,449
Net Income	1,618,002	1,381,904	1,723,825
Preferred stock dividends	521	18,158	21,392
Net Income Available to Common Share Owners	\$ 1,617,481	\$ 1,363,746	\$1,702,433
Income per Common Share			
Continuing operations	\$ 2.43	\$ 2.04	\$ 1.69
Discontinued operation	—	—	.77
Net Income per Common Share	\$ 2.43	\$ 2.04	\$ 2.46
Average Common Shares Outstanding	666,472	668,570	691,962

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows *The Coca-Cola Company and Subsidiaries*

<i>Year Ended December 31,</i>	1991	1990	1989
<i>(In thousands)</i>			
Operating Activities			
Net income	\$1,618,002	\$1,381,904	\$1,723,825
Depreciation and amortization	261,427	243,888	183,765
Deferred income taxes	(66,147)	(30,254)	37,036
Equity income, net of dividends	(16,013)	(93,816)	(76,088)
Foreign currency adjustments	65,534	(77,068)	(31,043)
Gain on sale of businesses and investments before income taxes	(34,577)	(60,277)	(1,006,664)
Other noncash items	33,338	97,752	24,360
Net change in operating assets and liabilities	222,837	(178,202)	279,382
Net cash provided by operating activities	2,084,401	1,283,927	1,134,573
Investing Activities			
Additions to finance subsidiary receivables	(210,267)	(31,551)	(57,006)
Collections of finance subsidiary receivables	51,942	58,243	188,810
Purchases of investments and other assets	(399,183)	(186,631)	(858,510)
Proceeds from disposals of investments and other assets	180,058	149,807	126,850
Proceeds from sale of businesses	—	—	1,680,073
Decrease (increase) in marketable securities	2,735	16,733	(3,889)
Purchases of property, plant and equipment	(791,677)	(592,971)	(462,466)
Proceeds from disposals of property, plant and equipment	43,958	19,208	60,665
Purchases of temporary investments and other	(2,246)	(113,875)	(145,009)
Proceeds from disposals of temporary investments	—	241,373	—
Net cash provided by (used in) investing activities	(1,124,680)	(439,664)	529,518
Net cash provided by operations after reinvestment	959,721	844,263	1,664,091
Financing Activities			
Issuances of debt	989,926	592,417	336,370
Payments of debt	(1,246,664)	(81,594)	(410,690)
Preferred stock redeemed	(75,000)	(225,000)	—
Common stock issued	39,394	29,904	41,395
Purchases of common stock for treasury	(399,076)	(306,667)	(1,166,941)
Dividends (common and preferred)	(640,064)	(552,640)	(490,655)
Net cash used in financing activities	(1,331,484)	(543,580)	(1,690,521)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	458	32,852	(22,896)
Cash and Cash Equivalents			
Net increase (decrease) during the year	(371,305)	333,535	(49,326)
Balance at beginning of year	1,429,555	1,096,020	1,145,346
Balance at end of year	\$1,058,250	\$1,429,555	\$1,096,020

See Notes to Consolidated Financial Statements.

Consolidated Statements of Share-Owners' Equity *The Coca-Cola Company and Subsidiaries*

<i>Three Years Ended December 31, 1991</i> <i>(In thousands except per share data)</i>	Preferred Stock	Common Stock	Capital Surplus	Reinvested Earnings	Unearned Restricted Stock	Foreign Currency Translation	Treasury Stock
Balance December 31, 1988	\$300,000	\$417,395	\$380,264	\$4,385,142	\$ (51,467)	\$(17,010)	\$(2,069,022)
Sales to employees exercising stock options	—	1,481	39,914	—	—	—	(3,804)
Tax benefit from employees' stock option and restricted stock plans	—	—	14,811	—	—	—	—
Translation adjustments (net of income taxes of \$900)	—	—	—	—	—	9,804	—
Stock issued under restricted stock plans, less amortization of \$7,944	—	34	2,335	—	5,575	—	—
Purchases of common stock for treasury	—	—	—	—	—	—	(1,163,137)
Net income	—	—	—	1,723,825	—	—	—
Dividends							
Preferred	—	—	—	(21,392)	—	—	—
Common (per share—\$.68)	—	—	—	(469,263)	—	—	—
Balance December 31, 1989	300,000	418,910	437,324	5,618,312	(45,892)	(7,206)	(3,235,963)
Sales to employees exercising stock options	—	905	28,999	—	—	—	(2,762)
Tax benefit from employees' stock option and restricted stock plans	—	—	13,286	—	—	—	—
Translation adjustments (net of income taxes of \$573)	—	—	—	—	—	11,237	—
Stock issued under restricted stock plans, less amortization of \$11,655	—	429	33,094	—	(21,868)	—	—
Purchases of common stock for treasury	—	—	—	—	—	—	(303,905)
Redemption of preferred stock	(225,000)	—	—	—	—	—	—
Net income	—	—	—	1,381,904	—	—	—
Dividends							
Preferred	—	—	—	(18,158)	—	—	—
Common (per share—\$.80)	—	—	—	(534,482)	—	—	—
Balance December 31, 1990	75,000	420,244	512,703	6,447,576	(67,760)	4,031	(3,542,630)
Sales to employees exercising stock options	—	972	38,422	—	—	—	(2,421)
Tax benefit from employees' stock option and restricted stock plans	—	—	20,015	—	—	—	—
Translation adjustments (net of income taxes of \$958)	—	—	—	—	—	(8,940)	—
Stock issued under restricted stock plans, less amortization of \$22,323	—	622	68,850	—	(47,149)	—	—
Purchases of common stock for treasury	—	—	—	—	—	—	(396,655)
Redemption of preferred stock	(75,000)	—	—	—	—	—	—
Net income	—	—	—	1,618,002	—	—	—
Dividends							
Preferred	—	—	—	(521)	—	—	—
Common (per share—\$.96)	—	—	—	(639,543)	—	—	—
Balance December 31, 1991	\$ —	\$421,838	\$639,990	\$7,425,514	\$(114,909)	\$ (4,909)	\$(3,941,706)

See Notes to Consolidated Financial Statements.

1 Accounting Policies

The significant accounting policies and practices followed by The Coca-Cola Company and subsidiaries (the Company) are as follows:

Consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries where control is not temporary. The Company's investments in companies in which it has the ability to exercise significant influence over operating and financial policies, including certain investments where there is a temporary majority interest, are accounted for by the equity method. Accordingly, the Company's share of the net earnings of these companies is included in consolidated net income. The Company's investments in other companies are carried at cost. All significant intercompany accounts and transactions are eliminated.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation.

Net Income per Common Share

Net income per common share is computed by dividing net income less dividends on preferred stock by the weighted average number of common shares outstanding.

Cash Equivalents

Marketable securities that are highly liquid and have maturities of three months or less at the date of purchase are classified as cash equivalents.

Inventories

Inventories are valued at the lower of cost or market. In general, inventories are valued on the basis of average cost or first-in, first-out methods. However, certain soft drink and citrus inventories are valued on the last-in, first-out (LIFO) method. The excess of current costs over LIFO stated values amounted to approximately \$27 million and \$42 million at December 31, 1991 and 1990, respectively.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less allowances for depreciation. Property, plant and equipment are depreciated principally by the straight-line method over the estimated useful lives of the assets.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets are stated on the basis of cost and are being amortized, principally on a straight-line basis, over the estimated future periods to be benefited (not exceeding 40 years). Accumulated amortization was approximately \$16 million and \$10 million at December 31, 1991 and 1990, respectively.

Income Taxes

Income tax amounts and balances have been computed in accordance with APB Opinion No. 11, "Accounting for Income Taxes."

In 1987, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes" (SFAS 96). In 1991, the FASB issued an Exposure Draft, which would further modify accounting for income taxes. The Company's required adoption date is January 1, 1993. Based on preliminary studies and evaluations, accounting for income taxes under SFAS 96 or the Exposure Draft would not have a material impact on the Company's results of operations or financial position.

2 Inventories

Inventories consist of the following (in thousands):

December 31,	1991	1990
Raw materials and supplies	\$615,459	\$567,694
Work in process	23,475	18,451
Finished goods	348,830	396,168
	\$987,764	\$982,313

3 Bottling Investments

The Company invests in bottling companies to ensure the strongest and most efficient production, distribution and marketing systems possible, in order to maximize long-term growth in volume, cash flow and share-owner value of the bottler and the Company.

Coca-Cola Enterprises Inc.

Coca-Cola Enterprises Inc. (CCE) is the largest bottler of Company products in the United States. The Company owns approximately 44 percent of the outstanding common stock of CCE and, accordingly, accounts for its investment by the equity method of accounting. A summary of financial information for CCE is as follows (in thousands):

	December 31, 1991	December 28, 1990
Current assets	\$ 706,298	\$ 495,341
Noncurrent assets	5,970,297	4,525,255
Total assets	\$6,676,595	\$5,020,596
Current liabilities	\$1,385,445	\$1,054,791
Noncurrent liabilities	3,848,519	2,339,326
Total liabilities	\$5,233,964	\$3,394,117
Share-owners' equity	\$1,442,631	\$1,626,479
Company equity investment	\$ 602,776	\$ 666,847

Year Ended	December 31, 1991	December 28, 1990	December 29, 1989
Net operating revenues	\$4,050,798	\$4,034,043	\$3,881,947
Cost of goods sold	2,380,258	2,359,267	2,313,032
Gross profit	\$1,670,540	\$1,674,776	\$1,568,915
Operating income	\$ 120,178	\$ 325,548	\$ 310,067
Operating cash flow ¹	\$ 538,422	\$ 592,391	\$ 539,086
Income (loss) before income taxes	\$ (91,140)	\$ 184,247	\$ 137,931
Net income (loss) available to common share owners	\$ (91,675)	\$ 77,148	\$ 53,507
Company equity income (loss)	\$ (39,732)	\$ 34,429	\$ 26,218

¹Excludes nonrecurring charges.

CCE's 1991 results include pretax restructuring charges of \$152 million and a pretax charge of \$15 million to increase insurance reserves.

In a December 18, 1991, merger, CCE acquired Johnston Coca-Cola Bottling Group, Inc. (Johnston) for approximately \$196 million and 13 million shares of CCE common stock. The Company exchanged its 22 percent ownership interest in Johnston for approximately \$81 million in cash and 50,000 shares of CCE common stock, resulting in a pretax gain of \$27 million to the Company. The Company's ownership interest in CCE was reduced from 49 percent to 44 percent as a result of this transaction.

Net concentrate/syrup sales to CCE were \$626 million in 1991, \$602 million in 1990 and \$569 million in 1989. CCE purchases sweeteners through the Company under a pass-

through arrangement, and, accordingly, related collections from CCE and payments to suppliers are not included in the Company's consolidated statements of income. These transactions amounted to \$185 million in 1991 and 1990 and \$195 million in 1989. The Company also provides certain administrative and other services to CCE under negotiated fee arrangements.

The Company engages in a wide range of marketing programs, media advertising and other similar arrangements to promote the sale of Company products in territories in which CCE operates. The Company's direct support for certain CCE marketing activities and participation with CCE in cooperative advertising and other marketing programs, net of fees charged for services provided, amounted to approximately \$199 million, \$181 million and \$178 million in 1991, 1990 and 1989, respectively.

During 1990, the Company sold 4 million shares of CCE common stock to CCE for \$60 million under a share repurchase program.

In June 1990, the Company sold a temporary investment, Coca-Cola Holdings (Arkansas) Inc. (CCHA), to CCE for approximately \$241 million and assumed indebtedness, which approximated the Company's original 1989 investment, plus carrying costs.

In June 1990, CCE recorded a pretax gain of approximately \$56 million from the sale of two of its bottling subsidiaries. The purchaser of these former CCE bottling subsidiaries was Johnston, which, at the time of the sale, was 22 percent owned by the Company.

If valued at the December 31, 1991, quoted closing price of the publicly traded CCE shares, the calculated value of the Company's investment in CCE common stock would have exceeded the Company's carrying value by approximately \$263 million.

Other Equity Investments

The Company owns approximately 51 percent of Coca-Cola Amatil Limited (CCA), an Australian-based bottler of Company products and manufacturer of snack foods. In August 1989, the Company acquired an initial 59.5 percent ownership interest in CCA for approximately \$491 million (including certain acquisition-related costs). In separate transactions during 1990, CCA acquired an independent Australian bottler and the Company's 50 percent interest in a New Zealand bottling joint venture in exchange for consideration that included previously unissued common stock of CCA, resulting in a net reduction of the Company's owner-

ship interest to its present level. The Company intends to reduce its ownership interest in CCA to below 50 percent. Accordingly, the investment has been accounted for by the equity method of accounting.

At December 31, 1991, the excess of the Company's investment over its equity in the underlying net assets of CCA was approximately \$283 million, which is being amortized primarily over 40 years. The Company recorded equity income from CCA of \$15 million, \$17 million and \$6 million in 1991, 1990 and 1989, respectively. These amounts are net of the amortization charges discussed above.

Operating results include the Company's proportionate share of income from equity investments since the respective dates of investment. A summary of financial information for the Company's equity investments, other than CCE, is as follows (in thousands):

December 31,	1991	1990
Current assets	\$1,797,396	\$1,658,341
Noncurrent assets	3,794,114	4,431,810
Total assets	\$5,591,510	\$6,090,151
Current liabilities	\$1,947,025	\$1,696,796
Noncurrent liabilities	1,594,696	2,518,902
Total liabilities	\$3,541,721	\$4,215,698
Share-owners' equity	\$2,049,789	\$1,874,453
Company equity investments	\$1,456,959	\$1,310,209

Year Ended December 31,	1991	1990	1989
Net operating revenues	\$7,876,737	\$7,312,904	\$5,598,946
Cost of goods sold	5,243,943	4,609,004	3,633,647
Gross profit	\$2,632,794	\$2,703,900	\$1,965,299
Operating income	\$ 559,885	\$ 574,712	\$ 431,915
Operating cash flow	\$ 979,232	\$ 940,244	\$ 679,552
Income before income taxes	\$ 315,231	\$ 327,784	\$ 199,255
Net income	\$ 214,144	\$ 205,436	\$ 123,752
Company equity income	\$ 79,707	\$ 75,710	\$ 49,272

Equity investments also include certain non-bottling investees.

Net sales to equity investees, other than CCE, were \$1.3 billion in 1991 and \$1.2 billion in 1990. The Company participates in various marketing, promotional and other activities with these investees, the majority of which are located outside the United States.

If valued at the December 31, 1991, quoted closing prices of shares actively traded on stock markets, the net calculated value of the Company's investment in publicly

traded bottlers, other than CCE, would have exceeded the Company's carrying value by approximately \$189 million.

The balance sheet caption "Other, principally bottling companies" also includes various investments that are accounted for by the cost method.

4 Finance Subsidiary

Coca-Cola Financial Corporation (CCFC) provides loans and other forms of financing to Coca-Cola bottlers and customers for the acquisition of sales-related equipment and for other business purposes. The approximate contractual maturities of finance receivables for the five years succeeding December 31, 1991, are as follows (in thousands):

1992	\$ 36,172
1993	23,325
1994	169,317
1995	10,414
1996	19,620

These amounts do not reflect possible prepayments or renewals.

In connection with the December 1991 acquisition of Sunbelt Coca-Cola Bottling Company, Inc. by Coca-Cola Bottling Co. Consolidated (Consolidated), CCFC purchased 25,000 shares of Consolidated preferred stock for \$50 million, provided to Consolidated a \$153 million bridge loan and issued a \$77 million letter of credit on Consolidated's behalf. The Company beneficially owns a 30 percent economic interest and a 23 percent voting interest in Consolidated.

Finance receivables also include amounts due from CCE (substantially all of which were assumed by CCE upon its acquisition of Johnston) of \$68 million and \$56 million at December 31, 1991 and 1990, respectively.

5 Short-Term Borrowings and Credit Arrangements

Loans and notes payable consist primarily of commercial paper issued in the United States. At December 31, 1991, the Company had \$753 million in lines of credit and other short-term credit facilities contractually available, under which \$111 million was outstanding. The lines included \$505 million designated to support commercial paper and other borrowings, of which no amounts were outstanding at December 31, 1991. These facilities are subject to normal banking terms and conditions. Some of the financial arrangements require compensating balances, none of which are presently significant to the Company.

6 Accrued Taxes

Accrued taxes consist of the following (in thousands):

December 31,	1991	1990
Income taxes	\$789,632	\$618,590
Sales, payroll and miscellaneous taxes	111,252	100,592
	\$900,884	\$719,182

7 Long-Term Debt

Long-term debt consists of the following (in thousands):

December 31,	1991	1990
9 ⁷ / ₈ % U.S. dollar notes due 1992	\$ 89,565	\$ 59,667
7 ³ / ₄ % U.S. dollar notes due 1996	249,890	—
5 ³ / ₄ % Japanese yen notes due 1996 ¹	239,987	222,977
5 ³ / ₄ % German mark notes due 1998 ¹	165,206	166,953
7 ⁷ / ₈ % U.S. dollar notes due 1998	249,372	—
11 ³ / ₈ % U.S. dollar notes due 1991	—	85,675
Other, due 1992 to 2013 ²	100,945	97,861
	1,094,965	633,133
Less current portion	109,707	97,272
	\$ 985,258	\$535,861

¹ Portions of these notes have been swapped for liabilities denominated in other currencies.

² Interest on a portion of this debt varies with the changes in the prime rate, and the weighted average interest rate applicable to the remainder is approximately 12.3 percent.

Maturities of long-term debt for the five years succeeding December 31, 1991, are as follows (in thousands):

1992	\$109,707
1993	28,396
1994	17,601
1995	7,932
1996	494,264

The above notes include various restrictions, none of which are presently significant to the Company.

Interest paid was approximately \$160 million, \$233 million and \$319 million in 1991, 1990 and 1989, respectively.

8 Financial Instruments

The Company has entered into foreign currency hedging transactions to reduce its exposure to adverse fluctuations in foreign exchange rates. While the hedging instruments are subject to the risk of loss from changes in exchange rates, these losses would generally be offset by gains on the exposures being hedged. The Company had \$2.6 billion and \$1.4 billion of foreign currency hedging instruments out-

standing at December 31, 1991 and 1990, respectively. The contracts are transacted with creditworthy financial institutions and generally mature within one year.

At December 31, 1991, the Company is contingently liable for guarantees of indebtedness owed by third parties of \$117 million, of which \$54 million is related to independent bottling licensees.

9 Preferred Stock

In February 1991, the Company completed the redemption of the remaining \$75 million of its initial \$300 million of Cumulative Money Market Preferred Stock (MMP). The Company redeemed \$225 million of the MMP in 1990. Prior to redemption, the weighted average dividend rate (per annum) for the MMP was approximately 6 percent in 1991 and 1990.

10 Common Stock

Common shares outstanding and related changes for the three years ended December 31, 1991, are as follows (in thousands):

	1991	1990	1989
Outstanding at January 1,	668,239	674,030	709,578
Issued to employees exercising stock options	1,943	1,810	2,962
Issued under restricted stock plans	1,245	858	68
Purchases of common stock for treasury	(6,947)	(8,459)	(38,578)
Outstanding at December 31,	664,480	668,239	674,030

11 Restricted Stock, Stock Options and Other Stock Plans

The Company sponsors restricted stock award plans, stock option plans, Incentive Unit Agreements and Performance Unit Agreements.

Under the amended 1989 Restricted Stock Award Plan and the amended 1983 Restricted Stock Award Plan (the Plans), 10 million and 6 million shares of restricted common stock, respectively, may be granted to certain officers and key employees of the Company.

In 1991, 1990 and 1989, 1,245,000 shares, 858,000 shares and 68,000 shares, respectively, were granted under the Plans. At December 31, 1991, 8.7 million shares were available for grant under the Plans. The participant is entitled to vote and receive dividends on the shares, and, under the

1983 Restricted Stock Award Plan, the participant is reimbursed by the Company for income taxes imposed on the award. The shares are subject to certain transfer restrictions and may be forfeited if the participant leaves the Company for reasons other than retirement, disability or death, absent a change in control of the Company. On July 18, 1991, the Plans were amended to specify age 62 as the minimum retirement age. In addition, the 1983 Restricted Stock Award Plan was further amended to conform to the terms of the 1989 Restricted Stock Award Plan by requiring a minimum of five years of service prior to retirement. The amendments affect shares granted subsequent to July 18, 1991.

Under the Company's 1991 Stock Option Plan (the Option Plan), a maximum of 30 million shares of the Company's common stock may be issued or transferred to certain officers and employees pursuant to stock options and stock appreciation rights granted under the Option Plan. The stock appreciation rights permit the holder, upon surrendering all or part of the related stock option, to receive cash, common stock or a combination thereof, in an amount up to 100 percent of the difference between the market price and the option price. No stock appreciation rights have been granted since April 1990, and the Company does not presently intend to grant additional stock appreciation rights in the future. Options outstanding at December 31, 1991, also include various options granted under previous plans. Further information relating to options is as follows (in thousands, except per share amounts):

	1991	1990	1989
Outstanding at January 1,	16,532	13,504	17,315
Granted	3,996	5,196	32
Exercised	(1,943)	(1,810)	(2,962)
Canceled	(394)	(358)	(881)
Outstanding at December 31,	18,191	16,532	13,504
Exercisable at December 31,	12,026	9,569	8,561
Shares available at December 31, for options that may be granted	27,689	1,559	6,643
Prices per share			
Exercised	\$6-\$56	\$5-\$39	\$5-\$23
Unexercised at December 31,	\$8-\$59	\$6-\$48	\$5-\$24

In 1988, the Company entered into Incentive Unit Agreements, whereby certain officers will be granted cash awards based on the market value of 600,000 shares of the Company's common stock at the measurement dates. The Incentive Unit Agreements provide for a cash payment for income taxes when the value of the units is paid.

In 1985, the Company entered into Performance Unit Agreements, whereby certain officers will be granted cash awards based on the difference in the market value of approximately 1.1 million shares of the Company's common stock at the measurement dates and the base price of \$10.31, the market value as of January 2, 1985.

12 Pensions and Other Postretirement Benefits

In the United States, the Company sponsors and/or contributes to pension plans covering substantially all U.S. employees and certain employees in international locations. The benefits are primarily based on years of service and the employees' compensation for certain periods during the last years of employment. Pension costs are generally funded currently, subject to regulatory funding limitations. The Company also sponsors nonqualified, unfunded defined benefit plans for certain officers and other employees. In addition, the Company and its subsidiaries have various pension plans and other forms of postretirement arrangements outside the United States.

Total pension expense amounted to approximately \$42 million in 1991, \$30 million in 1990 and \$23 million in 1989. Net periodic pension cost for the Company's defined benefit plans in 1991, 1990 and 1989 consists of the following (in thousands):

Notes to Consolidated Financial Statements *The Coca-Cola Company and Subsidiaries*

Year Ended December 31,	U.S. Plans			International Plans		
	1991	1990	1989	1991	1990	1989
Service cost—benefits earned during the period	\$ 12,475	\$ 10,684	\$ 9,830	\$ 15,894	\$ 12,902	\$ 12,133
Interest cost on projected benefit obligation	45,860	41,786	35,393	18,523	14,720	12,539
Actual return on plan assets	(112,530)	(9,121)	(95,254)	(17,498)	(3,811)	(16,108)
Net amortization and deferral	71,090	(31,168)	56,548	555	(11,273)	2,240
Net periodic pension cost	\$ 16,895	\$ 12,181	\$ 6,517	\$ 17,474	\$ 12,538	\$ 10,804

The following table sets forth the funded status for the Company's defined benefit plans at December 31, 1991 and 1990 (in thousands):

	U.S. Plans				International Plans			
	Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets		Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets	
December 31,	1991	1990	1991	1990	1991	1990	1991	1990
Actuarial present value of benefit obligations								
Vested benefit obligation	\$359,857	\$340,598	\$ 66,907	\$ 53,386	\$ 96,074	\$ 84,890	\$ 81,609	\$ 70,044
Accumulated benefit obligation	\$383,972	\$362,724	\$ 72,610	\$ 57,372	\$106,286	\$ 89,263	\$ 91,208	\$ 72,938
Projected benefit obligation	\$455,357	\$424,118	\$ 82,251	\$ 65,703	\$145,435	\$129,435	\$144,245	\$113,842
Plan assets at fair value ¹	583,819	508,267	—	811	175,392	160,945	74,640	62,335
Plan assets in excess of (less than) projected benefit obligation	128,462	84,149	(82,251) ²	(64,892) ²	29,957	31,510	(69,605)	(51,507)
Unrecognized net (asset) liability at transition	(40,764)	(44,317)	21,292	23,416	(29,229)	(32,076)	40,908	38,121
Unrecognized prior service cost	25,756	28,302	2,795	1,175	105	2,017	5,243	—
Unrecognized net (gain) loss	(114,934)	(64,617)	14,506	5,647	10,265	5,171	(1,672)	58
Adjustment required to recognize minimum liability	—	—	(28,952)	(21,941)	—	—	(453)	(167)
Accrued pension asset (liability) included in the consolidated balance sheet	\$ (1,480)	\$ 3,517	\$ (72,610)	\$ (56,595)	\$ 11,098	\$ 6,622	\$ (25,579)	\$ (13,495)

¹ Primarily listed stocks, bonds and government securities.

² Substantially all of this amount relates to nonqualified, unfunded defined benefit plans.

The assumptions used in computing the above information are as follows:

	U.S. Plans			International Plans (weighted average rates)		
	1991	1990	1989	1991	1990	1989
Discount rates	9%	9%	9%	7½%	8%	7%
Rates of increase in compensation levels	6%	6%	6%	6%	6%	4%
Expected long-term rates of return on assets	9½%	9½%	9%	7½%	8%	8%

The Company also has plans that provide postretirement health care and life insurance benefits to substantially all U.S. employees and certain international employees who retire with a minimum of five years of service. The annual cash cost of these benefits is not significant. In 1990, the FASB issued Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" (SFAS 106). SFAS 106 will require companies to accrue the cost of postretirement health care and life insurance benefits within employees' active service periods. The Company's required adoption date for SFAS 106 is January 1, 1993.

SFAS 106 allows companies to either recognize their full accumulated postretirement benefit obligation at the date of adoption or amortize it as a component of postretirement benefits expense over a period of up to twenty years. The Company is currently evaluating these options.

Based on preliminary studies and evaluations, the Company's accumulated postretirement benefit obligation at January 1, 1993, will be approximately \$200 million, before related income tax benefits. The increase in annual pretax postretirement benefits expense after adoption of SFAS 106 is expected to be in the range of \$20 million to \$30 million.

13 Income Taxes

The components of income before income taxes for both continuing and discontinued operations consist of the following (in thousands):

Year Ended December 31,	1991	1990	1989
United States	\$ 648,471	\$ 494,544	\$1,459,213
International	1,734,808	1,519,892	1,257,104
	\$2,383,279	\$2,014,436	\$2,716,317

Income taxes for continuing and discontinued operations consist of the following (in thousands):

Year Ended December 31,	United States	State & Local	International	Total
1991				
Current	\$204,781	\$30,981	\$595,662	\$831,424
Deferred	(61,229)	(5,267)	349	(66,147)
1990				
Current	\$134,973	\$26,515	\$501,298	\$662,786
Deferred	(49,387)	(2,596)	21,729	(30,254)
1989				
Current	\$478,004	\$84,072	\$393,380	\$955,456
Deferred	(8,025)	160	44,901	37,036

The Company made income tax payments of approximately \$672 million, \$803 million and \$537 million in 1991, 1990 and 1989, respectively.

A reconciliation of the statutory U.S. federal rate and effective rates for continuing operations is as follows:

Year Ended December 31,	1991	1990	1989
Statutory U.S. federal rate	34.0%	34.0%	34.0%
State income taxes—net of federal benefit	1.0	1.0	1.0
Earnings in jurisdictions taxed at rates different from the statutory U.S. federal rate	(3.1)	(2.6)	(1.6)
Equity income	(.6)	(1.8)	(1.5)
Other—net	.8	.8	.5
	32.1%	31.4%	32.4%

Deferred taxes are provided principally for depreciation, certain employee compensation-related expenses and certain capital transactions that are recognized in different years for financial statement and income tax purposes. The Company has manufacturing facilities in Puerto Rico that operate under a negotiated exemption grant that expires December 31, 2009.

Appropriate U.S. and international taxes have been provided for earnings of subsidiary companies that are expected to be remitted to the parent company. Accumulated unremitted earnings of international subsidiaries that are expected to be required for use in the international operations were approximately \$373 million at December 31, 1991, exclusive of amounts that, if remitted, would result in little or no tax.

14 Net Change in Operating Assets and Liabilities

The changes in operating assets and liabilities, net of effects of acquisitions and divestitures of businesses and unrealized exchange gains/losses, are as follows (in thousands):

Year Ended December 31,	1991	1990	1989
Increase in trade accounts receivable	\$ (31,826)	\$ (87,749)	\$ (99,496)
Increase in inventories	(3,020)	(169,442)	(34,709)
Increase in prepaid expenses and other assets	(325,595)	(65,758)	(204,222)
Increase in accounts payable and accrued expenses	266,684	198,631	88,940
Increase (decrease) in accrued taxes	215,877	(111,014)	456,544
Increase in other liabilities	100,717	57,130	72,325
	\$222,837	\$(178,202)	\$279,382

The net change in operating assets and liabilities in 1990 reflects estimated tax payments of approximately \$300 million related to the 1989 gain on the sale of Columbia Pictures Entertainment, Inc. stock.

15 Acquisitions and Divestitures

The Company periodically engages in the acquisition and/or divestiture of bottling and other related companies. Significant transactions are discussed below.

In August 1989, the Company acquired all of the Coca-Cola bottling operations of Pernod Ricard. Pernod Ricard had operated the Coca-Cola bottling, canning and distribution business in six major territories in France. The fair values of assets acquired and liabilities assumed were \$285 million and \$145 million, respectively. The \$140 million acquisition was accounted for by the purchase method. Operating results have been included in the consolidated statements of income from the date of acquisition.

In August 1989, the Company sold Belmont Springs Water Co., Inc., a bottled water operation, which resulted in a pretax gain of approximately \$61 million.

See Note 3 for discussions of the equity investment in CCA, which was acquired in August 1989, and the temporary investment in CCHA, which was acquired in July 1989 and sold in June 1990. See Note 17 for a discussion of the sale of Columbia Pictures Entertainment, Inc. stock.

16 Other Nonrecurring Items

"Other income—net" in 1991 includes a \$69 million pretax gain on the sale of property no longer required as a result of a consolidation of concentrate operations in Japan and a \$27 million pretax gain on the sale of the Company's 22 percent ownership interest in Johnston to CCE. "Selling, administrative and general expenses" and "Interest expense" include 1991 pretax charges of \$13 million and \$8 million, respectively, for potential future costs related to bottler litigation. In addition, 1991 equity income has been reduced by \$44 million related to restructuring charges recorded by CCE.

"Other income—net" in 1990 includes a pretax gain of \$52 million on the Company's investment in BCI Securities L.P. (BCI) resulting from BCI's sale of Beatrice Company stock. "Selling, administrative and general expenses" in 1990 include nonrecurring pretax charges of \$49 million related to the Company's United States soft drink business. These charges reflect accelerated amortization of certain software costs due to management plans to upgrade and standardize information systems and adjustments to the carrying value of certain fountain equipment and marketing-related items to amounts estimated to be recoverable in future periods.

17 Discontinued Operation

In 1989, the Company sold its entire equity interest in Columbia Pictures Entertainment, Inc. (CPE) for approximately \$1.6 billion in cash. The equity interest consisted of approximately 49 percent of the outstanding common shares of CPE and 1,000 shares of preferred stock. The sale resulted in a pretax gain of approximately \$930 million. On an after-tax basis, the gain was approximately \$509 million or \$.74 per common share. The effective tax rate of 45 percent on the gain on the sale of CPE stock differs from the statutory U.S. federal rate of 34 percent due primarily to differences between the book basis and tax basis of the Company's investment in CPE.

CPE has been reported as a discontinued operation, and, accordingly, the gain from the sale of CPE stock and the Company's equity income from CPE have been reported separately from continuing operations.

18 Lines of Business

The Company operates in two major lines of business: soft drinks and foods (principally juice and juice-drink products). Information concerning operations in these businesses at December 31, 1991, 1990 and 1989, and for the years then ended, is presented below (in millions):

1991	Soft Drinks		Foods	Corporate	Consolidated
	United States	International			
Net operating revenues	\$2,645.2	\$7,244.8	\$1,635.7	\$ 45.9	\$11,571.6
Operating income	468.7	2,141.1	103.7	(394.5)	2,319.0
Identifiable operating assets	1,447.0	4,742.3	755.0	1,124.1 ³	8,068.4
Equity income				40.0 ¹	40.0
Investments (principally bottling companies)				2,154.0	2,154.0
Capital expenditures	131.1	546.3	57.1	57.2	791.7
Depreciation and amortization	81.9	111.9	30.8	36.8	261.4

1990	Soft Drinks		Foods	Corporate	Consolidated
	United States	International			
Net operating revenues	\$2,461.3	\$6,125.4	\$1,604.9	\$ 44.8	\$10,236.4
Operating income	358.1 ²	1,801.4	93.5	(301.4)	1,951.6
Identifiable operating assets	1,691.0	3,672.2	759.2	1,131.2 ³	7,253.6
Equity income				110.1	110.1
Investments (principally bottling companies)				2,024.6	2,024.6
Capital expenditures	138.4	321.4	68.2	65.0	593.0
Depreciation and amortization	88.5	94.4	28.3	32.7	243.9

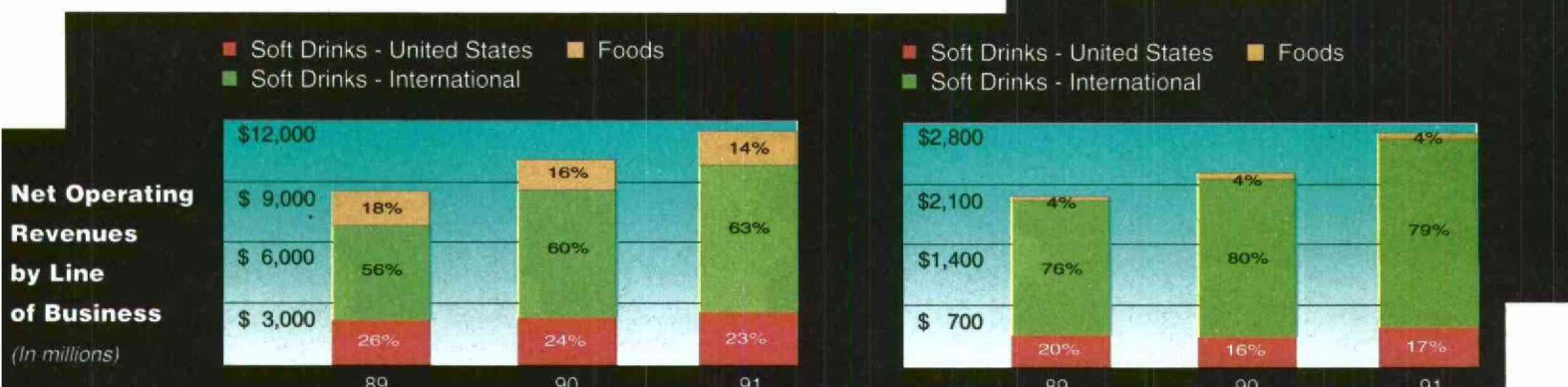
1989	Soft Drinks		Foods	Corporate	Consolidated
	United States	International			
Net operating revenues	\$2,222.2	\$4,759.2	\$1,583.3	\$ 57.6	\$ 8,622.3
Operating income	390.6	1,517.6	87.4	(269.8)	1,725.8
Identifiable operating assets	1,814.4	2,806.0	695.3	1,036.4 ³	6,352.1
Equity income				75.5	75.5
Investments (principally bottling companies)				1,930.4	1,930.4
Capital expenditures	136.3	215.6	61.6	49.0	462.5
Depreciation and amortization	73.9	48.4	30.7	30.8	183.8

Intercompany transfers between sectors are not material.

¹ Reduced by \$44 million related to restructuring charges recorded by CCE.

² Includes nonrecurring charges of \$49 million.

³ Corporate identifiable operating assets are composed principally of marketable securities and fixed assets.



Notes to Consolidated Financial Statements *The Coca-Cola Company and Subsidiaries*

19 Operations in Geographic Areas

Information about the Company's operations in different geographic areas at December 31, 1991, 1990 and 1989, and for the years then ended, is presented below (in millions):

1991	United States	Latin America	European Community	Northeast Europe/Africa	Pacific and Canada	Corporate	Consolidated
Net operating revenues	\$4,124.8	\$1,103.2	\$3,338.3	\$613.6	\$2,345.8	\$ 45.9	\$11,571.6
Operating income	560.2	404.6	767.3	204.1	777.3	(394.5)	2,319.0
Identifiable operating assets	2,160.9	814.6	2,558.0	423.5	987.3	1,124.1 ³	8,068.4
Equity income						40.0 ¹	40.0
Investments (principally bottling companies)						2,154.0	2,154.0
Capital expenditures	184.8	105.5	330.6	61.3	52.3	57.2	791.7
Depreciation and amortization	111.3	23.3	65.8	9.7	14.5	36.8	261.4

1990	United States	Latin America	European Community	Northeast Europe/Africa	Pacific and Canada	Corporate	Consolidated
Net operating revenues	\$3,931.0	\$ 813.0	\$2,804.8	\$562.8	\$2,080.0	\$ 44.8	\$10,236.4
Operating income	440.4 ²	300.2	666.5	174.2	671.7	(301.4)	1,951.6
Identifiable operating assets	2,414.2	640.3	1,818.8	400.1	849.0	1,131.2 ³	7,253.6
Equity income						110.1	110.1
Investments (principally bottling companies)						2,024.6	2,024.6
Capital expenditures	204.0	59.7	203.5	38.8	22.0	65.0	593.0
Depreciation and amortization	115.6	18.0	54.5	7.6	15.5	32.7	243.9

1989	United States	Latin America	European Community	Northeast Europe/Africa	Pacific and Canada	Corporate	Consolidated
Net operating revenues	\$3,678.7	\$ 646.2	\$1,855.1	\$425.2	\$1,959.5	\$ 57.6	\$ 8,622.3
Operating income	468.2	226.7	540.6	147.3	612.8	(269.8)	1,725.8
Identifiable operating assets	2,476.0	515.4	1,342.8	328.8	652.7	1,036.4 ³	6,352.1
Equity income						75.5	75.5
Investments (principally bottling companies)						1,930.4	1,930.4
Capital expenditures	196.4	30.7	133.9	24.6	27.9	49.0	462.5
Depreciation and amortization	103.5	11.8	18.0	4.9	14.8	30.8	183.8

Intercompany transfers between geographic areas are not material.

Identifiable liabilities of operations outside the United States amounted to approximately \$1.7 billion, \$1.5 billion and \$1.1 billion at December 31, 1991, 1990 and 1989, respectively.

¹ Reduced by \$44 million related to restructuring charges recorded by CCE.

² Includes nonrecurring charges of \$49 million.

³ Corporate identifiable operating assets are composed principally of marketable securities and fixed assets.

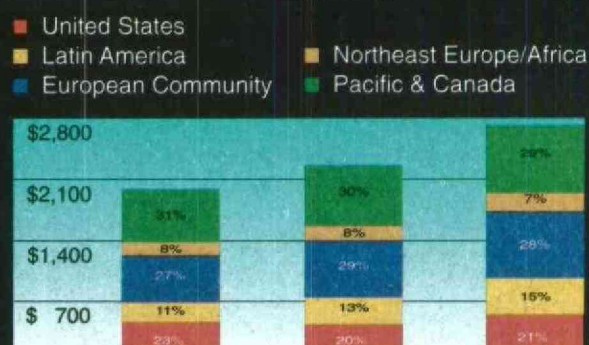
Net Operating Revenues by Geographic Area

(In millions)



Operating Income by Geographic Area

(In millions)



Report of Independent Auditors

Board of Directors and Share Owners The Coca-Cola Company

We have audited the accompanying consolidated balance sheets of The Coca-Cola Company and subsidiaries as of December 31, 1991 and 1990, and the related consolidated statements of income, share-owners' equity and cash flows for each of the three years in the period ended December 31, 1991. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1991 and 1990, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1991, in conformity with generally accepted accounting principles.

Atlanta, Georgia
January 24, 1992

Ernst & Young

Management is responsible for the preparation and integrity of the consolidated financial statements appearing in this Annual Report. The financial statements were prepared in conformity with generally accepted accounting principles appropriate in the circumstances and, accordingly, include some amounts based on management's best judgments and estimates. Financial information in this Annual Report is consistent with that in the financial statements.

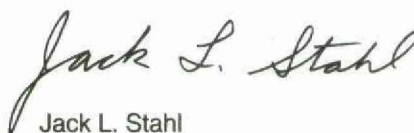
Management is responsible for maintaining a system of internal accounting controls and procedures to provide reasonable assurance, at an appropriate cost/benefit relationship, that assets are safeguarded and that transactions are authorized, recorded and reported properly. The internal accounting control system is augmented by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel and a written Code of Business Conduct adopted by the Board of Directors, applicable to all employees of the Company and its subsidiaries. Management believes that the Company's internal accounting controls provide reasonable assurance that assets are safeguarded against material loss from unauthorized use or disposition and that the financial records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

The Audit Committee of the Board of Directors, composed solely of Directors who are not officers of the Company, meets with the independent auditors, management and internal auditors periodically to discuss internal accounting controls, auditing matters and financial reporting matters. The Committee reviews with the independent auditors the scope and results of the audit effort. The Committee also meets with the independent auditors and the chief internal auditor without management present to ensure that the independent auditors and the chief internal auditor have free access to the Committee.

The independent auditors, Ernst & Young, are recommended by the Audit Committee of the Board of Directors, selected by the Board of Directors and ratified by the share owners. Ernst & Young is engaged to audit the consolidated financial statements of The Coca-Cola Company and subsidiaries and conduct such tests and related procedures as they deem necessary in conformity with generally accepted auditing standards. The opinion of the independent auditors, based upon their audits of the consolidated financial statements, is contained in this Annual Report.



Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer



Jack L. Stahl
Senior Vice President
and Chief Financial Officer



Patrick M. Worsham
Vice President
and Controller

January 24, 1992

Quarterly Data (Unaudited) The Coca-Cola Company and Subsidiaries

Years Ended December 31, 1991 and 1990
(In millions except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
1991					
Net operating revenues	\$2,481.0	\$3,039.5	\$3,172.1	\$2,879.0	\$11,571.6
Gross profit	1,516.9	1,853.8	1,864.9	1,687.6	6,923.2
Net income	320.9	482.4	456.3	358.4	1,618.0
Net income available to common share owners	320.4	482.4	456.3	358.4	1,617.5
Net income per common share	.48	.72	.69	.54	2.43
1990					
Net operating revenues	\$2,148.3	\$2,739.3	\$2,792.8	\$2,556.0	\$10,236.4
Gross profit	1,281.8	1,639.4	1,625.5	1,480.8	6,027.5
Net income	283.5	409.9	394.2	294.3	1,381.9
Net income available to common share owners	278.6	405.1	389.4	290.6	1,363.7
Net income per common share	.41	.61	.58	.44	2.04

The second quarter of 1991 includes a nonrecurring pretax charge of \$21 million (\$.02 per common share after income taxes) for potential future costs, including interest, related to bottler litigation.

The fourth quarter of 1991 includes a \$69 million pretax gain (\$.07 per common share after income taxes) on the sale of property in Japan, a \$27 million pretax gain (\$.03 per common share after income taxes) on the sale of a bottling investment to Coca-Cola Enterprises Inc. (CCE) and a reduction to equity income of \$44 million (\$.07 per common share after income taxes) related to restructuring charges recorded by CCE.

The third quarter of 1990 includes a \$52 million pretax gain (\$.05 per common share after income taxes) on the Company's investment in BCI Securities L.P. and nonrecurring pretax charges of \$49 million (\$.05 per common share after income taxes) related to the Company's United States soft drink business.

Financial Glossary

Total capital equals share-owners' equity plus total debt.

Return on common equity is calculated by dividing income from continuing operations less preferred stock dividends by average common share-owners' equity.

Return on capital is calculated by dividing income from continuing operations before interest expense by average total capital.

Economic profit represents net operating profit after taxes in excess of capital charges for average operating capital employed. Temporary investments and cash, cash equivalents and current marketable securities in excess of operating requirements, including interest income thereon, are excluded from the economic profit calculation.

Net debt and **net capital** are net of temporary investments and cash, cash equivalents and current marketable securities in excess of operating requirements. The net-debt-to-net-capital ratio excludes debt and excess cash of the Company's finance subsidiary.

The **dividend payout ratio** is calculated by dividing cash dividends on common stock by net income available to common share owners.

Corporate Officers

Roberto C. Goizueta¹
Chairman, Board of Directors,
and Chief Executive Officer

Donald R. Keough¹
President and Chief
Operating Officer

Senior Vice Presidents

Ralph H. Cooper¹
Douglas N. Daft¹
M.A. Gianturco
Joseph R. Gladden, Jr.¹
John Hunter¹
E. Neville Isdell¹
M. Douglas Ivester¹
Weldon H. Johnson¹
Earl T. Leonard, Jr.¹
Alex Malaspina
Peter S. Sealey¹
Jack L. Stahl¹
R.V. Waltemeyer¹
Carl Ware

Vice Presidents

Anton Amon
William R. Buehler
Robert L. Callahan, Jr.
Philip J. Carswell, Jr.
Carlton L. Curtis
William J. Davis
Lance E. Disley
Thomas E. Floyd
Murray D. Friedman
Charles B. Fruit
C. Patrick Garner
John J. Gillin
George Gourlay
Robert D. Guy
Timothy J. Haas¹
Gary P. Hite
Ingrid S. Jones
W. Glenn Kernel
Janmarie C. Prutting
Hugh K. Switzer
Michael W. Walters
Patrick M. Worsham¹

Jack L. Stahl
Chief Financial Officer

Joseph R. Gladden, Jr.
General Counsel

Lance E. Disley
Treasurer

Patrick M. Worsham
Controller

Susan E. Shaw
Secretary

Executive Officers— Operating Units

**North America
Business Sector**
M. Douglas Ivester
President

Coca-Cola USA
M. Douglas Ivester
President

Coca-Cola Foods
Timothy J. Haas
President

**International
Business Sector**
John Hunter
President

Pacific Group
Douglas N. Daft
President

**European
Community Group**
Ralph H. Cooper
President

**Northeast Europe/
Africa Group**
E. Neville Isdell
President

Latin America Group
Weldon H. Johnson
President

Board of Directors

Herbert A. Allen^{3,4,5}
President and
Chief Executive Officer
The investment banking firm
Allen & Company Incorporated

Ronald W. Allen^{4,6}
Chairman of the Board and
Chief Executive Officer
Delta Air Lines, Inc.

Warren E. Buffett^{2,3}
Chairman of the Board
and Chief Executive Officer
The diversified holding company
Berkshire Hathaway Inc.

Charles W. Duncan, Jr.^{2,4}
Private Investor

Roberto C. Goizueta⁴
Chairman, Board of Directors,
Chief Executive Officer
The Coca-Cola Company

Donald R. Keough⁴
President and
Chief Operating Officer
The Coca-Cola Company

Susan B. King^{5,7}
Senior Vice President—
Corporate Affairs
Corning Incorporated

James T. Laney⁷
President
Emory University

Donald F. McHenry^{2,6,7}
University Research
Professor of Diplomacy
and International Affairs
Georgetown University

Paul F. Orefice^{3,6}
Chairman of the Board
The Dow Chemical Company

James D. Robinson, III^{6,7}
Chairman and
Chief Executive Officer
American Express Company

William B. Turner^{3,4,5}
Chairman, Executive Committee
of Board of Directors
The diversified company
W.C. Bradley Co.
Chairman, Executive Committee
of Board of Directors
Synovus Financial Corp.
Chairman of the Board
Columbus Bank & Trust Company

Peter V. Ueberroth^{2,5}
Investor,
Managing Director
The management company
The Contrarian Group, Inc.

James B. Williams^{3,4}
Chairman and
Chief Executive Officer
SunTrust Banks, Inc.

¹ Officers subject to the reporting
requirements of Section 16 of the
Securities Exchange Act of 1934

² Audit Committee

³ Finance Committee

⁴ Executive Committee

⁵ Compensation Committee

⁶ Committee on Directors

⁷ Public Issues Review Committee

Board of Directors



Left to Right: (seated) James B. Williams, James D. Robinson, III, Donald F. McHenry, Donald R. Keough, Warren E. Buffett, Roberto C. Goizueta, (standing) William B. Turner, James T. Laney, Ronald W. Allen, Susan B. King, Charles W. Duncan, Jr., Paul F. Orefice, Peter V. Ueberroth, Herbert A. Allen.

Share-Owner Information

Common Stock

Ticker symbol: KO

The Coca-Cola Company is one of 30 companies in the Dow Jones Industrial Average.

Common stock of The Coca-Cola Company is listed and traded on the New York Stock Exchange, which is the principal market for the common stock, and also is traded on the Boston, Cincinnati, Midwest, Pacific and Philadelphia stock exchanges. Outside the United States, the Company's common stock is listed and traded on the German exchange in Frankfurt and on Swiss exchanges in Zurich, Geneva, Bern, Basel and Lausanne.

Share owners of record at year-end: 117,874

Shares outstanding at year-end: 664 million

Dividends

At its February 1992 meeting, the Company's Board of Directors increased the quarterly dividend to 28 cents per share, equivalent to an annual dividend of \$1.12 per share. The Company has increased dividends each of the last 30 years.

The Coca-Cola Company normally pays dividends four times a year, usually on April 1, July 1, October 1 and December 15. The Company has paid 283 consecutive quarterly dividends, beginning in 1920.

Dividend and Cash Investment Plan

All share owners of record are invited to participate in the Dividend and Cash Investment Plan. The Plan provides a convenient, economical and systematic method of acquiring additional shares of the Company's common stock. The Plan permits share owners of record to reinvest dividends from Company stock in shares of The Coca-Cola Company. Share owners also may purchase Company stock through voluntary cash investments of up to \$60,000 per year.

All costs and commissions associated with joining and participating in the Plan are paid by the Company.

The Plan's administrator, First Chicago Trust Company of New York, purchases stock for voluntary cash investments on or about the first of each month, and for dividend reinvestment on April 1, July 1, October 1 and December 15.

At year-end, 37 percent of share owners of record were participants in the Plan. In 1991, share owners invested \$12.78 million in dividends and \$16.35 million in cash in the Plan.

Stock Prices

Below are the New York Stock Exchange high, low and closing prices of The Coca-Cola Company stock for each quarter of 1991 and 1990, adjusted for a 2-for-1 stock split in May 1990.

Quarter	1991 High	Low	Close
Fourth	81.75	62.38	80.25
Third	66.50	54.50	64.50
Second	58.00	51.38	54.50
First	55.50	42.63	54.25

Quarter	1990 High	Low	Close
Fourth	49.00	39.75	46.50
Third	48.38	37.25	39.50
Second	46.88	37.13	44.38
First	39.00	32.63	37.38

Annual Meeting of Share Owners

April 15, 1992, at 9:00 a.m. local time
The Georgia World Congress Center Ballroom
285 International Boulevard, N.W.
Atlanta, Georgia

Publications

The Company's annual report on Form 10-K and quarterly report on Form 10-Q are available free of charge from the Office of the Secretary, The Coca-Cola Company, P.O. Drawer 1734, Atlanta, Georgia 30301.

A *Notice of Annual Meeting of Share Owners and Proxy Statement* are furnished to share owners in advance of the annual meeting. *Progress Reports*, containing financial results and other information, are distributed quarterly to share owners.

Also available from the Office of the Secretary are *Coca-Cola, A Business System Toward 2000: Our Mission in the 1990s*, *The Chronicle of Coca-Cola Since 1886* and other booklets about the Company and its products.

Equal Opportunity Policy

The Coca-Cola Company employs 28,900 people worldwide and maintains a long-standing commitment to equal opportunity and affirmative action. The Company strives to create a working environment free of discrimination and harassment with respect to race, sex, color, national origin, religion, age, disability or being a veteran of the Vietnam era as well as to make reasonable accommodations in the employment of qualified individuals with disabilities. The Company continued to increase minority and female representation in 1991. In addition, the Company provides fair marketing opportunities to all suppliers and maintains programs to increase transactions with firms that are owned and operated by minorities and women.

Corporate Offices

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313
(404) 676-2121

Mailing Address

The Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

Share-Owner Account Assistance

For address changes, dividend checks, account consolidation, registration changes, lost stock certificates, stock holdings and the Dividend and Cash Investment Plan:

Registrar and Transfer Agent
First Chicago Trust Company
of New York
P.O. Box 3981
Church Street Station
New York, New York 10008-3981
1-800-446-2617

or

(212) 791-6422

or

Office of the Secretary
The Coca-Cola Company
(404) 676-2777

Institutional Investor Inquiries

(404) 676-5766

Annual Report Requests

1-800-438-2653



This Report is printed on recycled paper.

Design: Critt Graham + Associates

Photography: *Principle/Cover* – Arthur Meyerson, *Contributing* – Ovak Arslanian, Craig Carlstrom, Neil Krivonak, Joe Stewardson, Arnaud de Wildenberg, *Board* – Jon Riley

Printing: George Rice & Sons

The Coca-Cola Company